

## MEETING OF THE

# LEGISLATIVE/COMMUNICATIONS AND MEMBERSHIP COMMITTEE

SOUTHERN CALIFORNIA



**ASSOCIATION of  
GOVERNMENTS**

### Main Office

818 West Seventh Street  
12th Floor  
Los Angeles, California  
90017-3435

t (213) 236-1800

f (213) 236-1825

[www.scag.ca.gov](http://www.scag.ca.gov)

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President

Greg Pettis, Cathedral City

First Vice President

Carl Morehouse, San Buenaventura

Second Vice President

Cheryl Viegas-Walker, El Centro

Immediate Past President

Glen Becerra, Simi Valley

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Greg Pettis, Cathedral City

### Policy Committee Chairs

Community, Economic and  
Human Development  
Margaret Finlay, Duarte

Energy & Environment  
James Johnson, Long Beach

Transportation  
Keith Millhouse, Ventura County  
Transportation Commission

**Tuesday, March 18, 2014**

*8:30 a.m. - 10:00 a.m.*

### SCAG Offices

**818 West 7<sup>th</sup> Street, 12<sup>th</sup> Floor  
Policy Committee Room B  
Los Angeles, CA 90017  
(213) 236-1800**

### Videoconference Available

#### Imperial SCAG Office

**1405 N. Imperial Avenue, Suite 1  
El Centro, CA 92243**

#### Riverside SCAG Office

**3403 10<sup>th</sup> Street, Suite 805  
Riverside, CA 92501**

#### San Bernardino SCAG Office

**1170 W. 3<sup>rd</sup> Street, Suite 140  
San Bernardino, CA 92418**

### Teleconference Is Available

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Ruby Moreno at (213) 236-1840 or via email [moreno@scag.ca.gov](mailto:moreno@scag.ca.gov)

Agendas & Minutes for the Legislative/ Communications and Membership Committee are also available at:

<http://www.scag.ca.gov/committees/Pages/default.aspx>

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The Regional Council consists of 86 elected officials representing 191 cities, six counties, six County Transportation Commissions, one representative from the Transportation Corridor Agencies, one Tribal Government representative and one representative for the Air Districts within Southern California.

## **Legislative/Communications and Membership Committee**

*March 2014*

Pam O'Connor, District 41  
Kris Murray, District 19

**Chair**  
**Vice-Chair**

### **Member**

Barrows, Bruce  
Becerra, Glen  
Clark, Margaret  
Daigle, Leslie  
Daniels, Gene  
Finlay, Margaret  
Martinez, Michele  
McCallon, Larry  
Mitchell, Judy  
Nelson, Shawn  
Pettis, Greg  
Rush, Adam  
Viegas-Walker, Cheryl  
Wapner, Alan

### **Representing**

District 23  
District 46  
District 32  
District 15  
District 24  
District 35  
District 16  
District 7  
District 40  
Orange County  
District 2  
RCTC  
District 1  
SANBAG

## **TELECONFERENCE LOCATIONS:**

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Hon. Margaret Clark  
Rosemead City Hall  
8838 E Valley Blvd  
Rosemead, CA 91770

Hon. Leslie Daigle  
2201 Vista Huerta,  
Newport Beach, CA 92660

Hon. Margaret Finlay  
2221 Rim Road  
Duarte, CA 91008

Hon. Michele Martinez  
Santa Ana City Hall  
20 Civic Center Plaza,  
Santa Ana, CA 92701

Hon. Shawn Nelson  
333 West Santa Ana Blvd., Fifth Floor  
Santa Ana, CA 92701

Hon. Alan Wapner  
Ontario City Hall  
303 E B Street  
Ontario, CA 91764

# LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE AGENDA MARCH 18, 2014

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*The Legislative/Communications & Membership Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.*

## **CALL TO ORDER & ROLL CALL**

*(Hon. Pam O'Connor, Chair)*

## **PUBLIC COMMENT PERIOD**

*Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker provided that the Chair has the discretion to reduce this time limit based upon the number of speakers. The Chair may limit the total time for all comments to twenty (20) minutes.*

## **REVIEW AND PRIORITIZE AGENDA ITEMS**

### **CONSENT CALENDAR**

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|---|-------------------|----------|
| 1. Minutes of February 18, 2014 Meeting | <b>Attachment</b> | <b>1</b> |
|---|-------------------|----------|

### **ACTION ITEMS**

- |  |                   |           |
|--|-------------------|-----------|
| 2. Public Participation Plan<br><i>(Angela Rushen, Manager of Media &amp; Public Affairs)</i>  | <b>Attachment</b> | <b>6</b>  |
| 3. AB 1721 (Lindner) - Vehicles: High-Occupancy Vehicle Lanes - SUPPORT<br><i>(Darin Chidsey, Director of SP&amp;PA)</i>                                 | <b>Attachment</b> | <b>7</b>  |
| 4. AB 1839 (Bocanegra/Gatto) - California Film and Television Job Retention and Promotion Act – SUPPORT<br><i>(Darin Chidsey, Director of SP&amp;PA)</i> | <b>Attachment</b> | <b>15</b> |
| 5. SB 1298 (Hernandez): High-Occupancy Toll Lanes - SUPPORT<br><i>(Darin Chidsey, Director of SP&amp;PA)</i>   | <b>Attachment</b> | <b>45</b> |
| 6. SB 1122 (Pavley) - Strategic Growth Council Improvements – SUPPORT<br><i>(Darin Chidsey, Director of SP&amp;PA)</i>                                   | <b>Attachment</b> | <b>54</b> |

### **INFORMATION/DISCUSSION ITEMS**

- |   |                    |
|---|--------------------|
| 7. Washington D.C. Trip Update<br><i>(Pam O'Connor, Chair, LCMC)</i>            | <b>Oral Update</b> |
| 8. SCAG/SCLC Legislative Reception Update<br><i>(Pam O'Connor, Chair, LCMC)</i> | <b>Oral Update</b> |

# **LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE AGENDA MARCH 18, 2014**

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## **INFORMATION/DISCUSSION ITEMS CONT.**

- |  |                    |           |
|--|--------------------|-----------|
| 9. General Assembly Host Committee Report<br><i>(Cheryl Viegas-Walker, Chair)</i>                | <b>Oral Update</b> |           |
| 10. Federal & State Legislative Update<br><i>(Sharon Neely, Chief Deputy Executive Director)</i> | <b>Oral Update</b> |           |
| 11. Strategy, Policy & Public Affairs Update<br><i>(Darin Chidsey, Director of SP&amp;PA)</i>    | <b>Oral Update</b> |           |
| 12. California Legislative Matrix<br><i>(Darin Chidsey, Director of SP&amp;PA)</i>               | <b>Attachment</b>  | <b>61</b> |

## **FUTURE AGENDA ITEMS**

Any Committee member or staff desiring to place items on a future agenda may make such a request.

## **ANNOUNCEMENTS**

## **ADJOURNMENT**

The next meeting of the Legislative/Communications & Membership Committee is scheduled for 8:30 a.m., Tuesday, April 15, 2014 at the SCAG Los Angeles office.

**LEGISLATIVE/COMMUNICATIONS & MEMBERSHIP COMMITTEE  
of the  
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

**February 18, 2014  
Minutes**

The Legislative/Communications & Membership Committee held its February 18, 2014 meeting at SCAG's downtown Los Angeles Office.

**Members Present**

Hon. Bruce Barrows, District 23 - arrived at 8:40am  
 Hon. Margaret Clark, District 32 (**Teleconference**)  
 Hon. Gene Daniels, District 24  
 Hon. Margaret Finlay, District 35 (**Teleconference**)  
 Hon. Michele Martinez, District 16 (**Teleconference**)  
 Hon. Larry McCallon, District 7 (**Videoconference**)  
 Hon. Shawn Nelson, Orange County (**Teleconference**)  
 Hon. Pam O'Connor, District 41- arrived at 8:50am  
 Hon. Greg Pettis, District 2  
 Hon. Cheryl Viegas-Walker, District 1(**Videoconference**)  
 Hon. Alan Wapner, SANBAG (**Teleconference**)

**CALL TO ORDER**

The meeting was called to order by Councilmember Gene Daniels at 8:35 a.m. There was a quorum.

**PUBLIC COMMENT PERIOD**

There was a public comment made by Pauline Chow, Southern California Regional Policy Manager at Safe Routes to School National Partnership. Ms. Chow expressed support for H.R. 4268 – Safe Streets Act of 2013. Ms. Chow stated that Safe Routes to School National Partnership supports a multi-modal approach to transportation planning and implementation that will take into account all users, specifically expanding the network to make the streets safe for pedestrians and bicyclists. H.R. 4268 is legislation her organization believes will save lives and increase health and mobility for Americans including Southern Californians. Ms. Chow quoted that 25% of all trips in Southern California are made with bicycles and pedestrians. In Los Angeles up to 60% of people are walking and biking. Ms. Chow again stated her support of SCAG's efforts in working with all counties and encouraging multi-modalism.

**CONSENT CALENDAR**

1. Minutes of January 17, 2014 Meeting

A motion was made (Barrows) to approve the Consent Calendar. The motion was SECONDED (Daniels) and UNANIMOUSLY approved by roll call vote. (10 yes – Barrows, Clark, Daniels, Finlay, Martinez, McCallon, Nelson, Pettis, Viegas-Walker, Wapner).

**ACTION ITEMS**

**2. SCAG Sponsorships and Membership**

Darin Chidsey, Director of Strategy Policy & Public Affairs, summarized the benefits of each sponsorship item individually. Mr. Chidsey stated that the Urban Land Institute Los Angeles 2014 Urban Marketplace is one of the most interesting opportunities for SCAG as it brings together cities, businesses and firms that are looking to implement and build some of the projects SCAG has been working on and funding through its Compass Blueprint Program. This sponsorship allows SCAG to bring several of its member jurisdictions that have received funding through the Compass program to display what those projects are and allow developers to come and learn more about them to possibly invest in those projects and move them forward.

A motion was made (Finlay) to recommend approval of up to \$7,500 for the Urban Land Institute Los Angeles 2014 Urban Marketplace. Motion was SECONDED (Viegas-Walker) and UNANIMOUSLY approved by roll call vote (10 Yes - Barrows, Clark, Daniels, Finlay, Martinez, McCallon, Nelson, Pettis, Viegas-Walker, and Wapner).

As part of SCAG's on-going University partnership initiative, Mr. Chidsey also introduced the University of Southern California Diversity in Urban Planning Initiative sponsorship to the LCMC. The sponsorship would go towards the efforts of raising awareness, hosting workshops, and scholarship opportunities for minorities seeking Masters of Urban Planning degrees. The goal is to attract more diverse undergraduates to participate in graduate studies at universities with planning programs.

A motion was made (Barrows) to recommend approval of up to \$10,000 for the University of Southern California Diversity in Urban Planning Initiative. Motion was SECONDED (Martinez) and UNANIMOUSLY approved by roll call vote (10 Yes - Barrows, Clark, Daniels, Finlay, Martinez, McCallon, Nelson, Pettis, Viegas-Walker, and Wapner).

**3. H.R. 3978 (Sires) – The New Opportunities for Bicycle and Pedestrian Infrastructure Financing Act of 2014.**

Darin Chidsey, Director, , briefed the Committee on H.R. 3979, which would amend the program set forth under the Transportation Infrastructure and Finance Innovation Act (TIFIA program), which itself provides funding opportunities, direct loans, and loan guarantees to large surface transportation infrastructure projects, specifically, projects that are heavily funded through local revenues. H.R. 3978 does not appropriate any new revenue, but it creates a new pilot program of \$10 million of the currently appropriated TIFIA funding to be used for the smaller projects to test if there is a need for TIFIA.

A motion was made (McCallon) to recommend approval of H.R. 3978 (Sires) to the Regional Council. Motion was SECONDED (Martinez) and UNANIMOUSLY approved by roll call vote (10 Yes - Barrows, Clark, Daniels, Finlay, Martinez, McCallon, Nelson, Pettis, Viegas-Walker, and Wapner).

## **Legislative/Communications & Membership Committee Minutes**

### **4. SB 511 (Lieu) – Trade Promotion Strategy**

Darin Chidsey, Director, briefed the Committee on SB 511, which requires the Governor's Office of Business and Economic-Development (Go-Biz) to provide a port promotion statewide strategy looking at how California can maintain its competitiveness with the expanding Panama Canal and the activity of infrastructure of the ports on the eastern seaboard. SCAG has been working over the last several years to re-institute the CFFO program, a financing program that provides loans for small business that are importing or exporting through the Californian ports. There have been discussions that SB 511 could be a good vehicle to include these priorities.

A motion was made (Finlay) to recommend approval of SB 511 to the Regional Council. Motion was SECONDED (Daniels) and UNANIMOUSLY approved by roll call vote (11 YES - Barrows, Clark, Daniels, Finlay, Martinez, McCallon, Nelson, O'Connor, Pettis, Viegas-Walker, and Wapner).

## **INFORMATION ITEMS**

### **5. Washington D.C. Trip Update**

Pam O'Connor, Chairman, updated the Committee on her participation at the National Association of Regional Councils (NARC) Conference in Washington D.C. In addition to her attendance, several councilmembers also visited Capitol Hill and met with Senator Barbara Boxer's Environmental and Public Works Committee (EPW) staff, and staff from the House Transportation and Infrastructure Committee (T&I). These two Committees are responsible for drafting the most recent surface transportation reauthorization bill, the Moving Ahead for Progress in the 21st Century Act (MAP 21), which is set to expire in September 2014. All staffs are working on the new bill and have indicated that there will not be significant changes to MAP-21, with the key challenge of finding a way to fund the new bill. Councilmember O'Connor also highlighted that freight was on the top of the list of priorities addressed in the new bill, and the Councilmember had the opportunity to share SCAG's legislative priorities list adopted by the Regional Council. The committee staff thanked SCAG for all of its efforts in supporting their work. It was also noted Greg Pettis, SCAG President, met with the Deputy Secretary of Transportation Victor Mendez and other key staff members in Washington D.C.

### **6. General Assembly Host Committee Report**

Cheryl Viegas-Walker, Councilmember, thanked all the members of the LCMC who are currently members of the General Assembly Host Committee, and announced that Host Committee meeting will be held on Monday February 24<sup>th</sup> at 10:30am. Councilmember Viegas-Walker reported that Hasan Ikhrata, Executive Director, has set an ambitious goal of raising a total of \$250K in sponsorships. Last year's General Assembly was successful, and the planning committee hopes they can create an equally great event in 2014. Councilmember Viegas-Walker also reported the remaining money raised for the General Assembly is used to underwrite the cost of SCAG's other events during the year, such as the Economic Reception for all GA sponsorship contributors and the annual December Economic Summit.

## **Legislative/Communications & Membership Committee Minutes**

### **7. Water Bond Legislation Report – AB 1331 (Rendon) and SB 848 (Wolk)**

Darin Chidsey, Director, provided background on water bond legislation; previously in 2010 a series of water bonds were scheduled to go to voters, \$11 billion total in water bond authority. The bonds were subsequently pushed off the ballots in 2012, and are now set to appear on the November 2014 General Election ballot. While there is much movement on these bills, the funding amounts are currently set at \$6-7 billion. Mr. Chidsey reported that staff has brought this information item forward for several reasons; 1) As part of SCAG's legislative priorities it is important for SCAG to ensure the region has reliable water sources; and 2) The governor's announcement of the water drought crisis. Mr. Chidsey announced that at the next Regional Council meeting on March 6 2014 that in lieu of the Policy Committee meetings, there will be a two (2) hour joint session dedicated to the discussion of water issues with an expert water panel. The Speakers will address drought, water bonds, and other statewide activities to ensure we have a stable water supply. Mr. Chidsey stated that as these water discussions are moving forward staff will be coordinating with its local water agencies, Metropolitan Water District (MWD), to ensure Southern California has a unified voice explicating the needs of the regions' infrastructure.

### **8. Federal & State Legislative Update**

Sharon Neely, Chief Deputy Executive Director, reported on a key federal matter of the Federal Highway Trust Fund (HTF) imbalance. The Senate Environmental and Public Works Committee (EPW) had a hearing on the Reauthorization bill, the key points from the meeting were that the US Chamber, the American Association of State Highway and Transportation Officials (ASHTO), the construction industry, and other key leaders testified before the hearing in support of addressing the financial HTF imbalance and supporting different revenue options, specifically a short term gas tax increase. The EPW indicated their intention to mark up the bill in April, and Chairman Schuster of the House Transportation & Infrastructure (T&I) Committee announced they intend to do a mark-up the bill by August as well. Ms. Neely informed the LCMC that the House T&I Committee planned to have a hearing on Feb 27<sup>th</sup> on Freight, and will keep the Committee apprised of the meeting details.

On state matters, Ms. Neely confirmed that there was a hearing regarding Cap and Trade legislation. SCAG is part of a statewide coalition called Livable Communities Coalition comprised of a number of organizations, associations and agencies such as Metropolitan Planning Organizations (MPO), the California Association of Councils of Governments (CALCOG), the California State Association of Counties (CSAC), and California League of Cities. These organizations testified before the Committee, discussing the general parameters that the legislature should be considering now the administration has proposed an allocation of funds. Additionally, Ms. Neely also stated that since the Governor has announced his proposal to budget \$100 million for sustainability issues in California, SCAG has been in dialogue with other MPO's to agree to increase that amount to \$500 million, using that money for a loan to accelerate the projects that are approved in the Regional Transportation Plan/Sustainable Communities Strategy.

## **Legislative/Communications & Membership Committee Minutes**

### **9. Strategy, Policy & Public Affairs Update**

Darin Chidsey, Director, reminded the Committee of attending SCAG's Legislative Reception in Sacramento, which will be held on March 19, 2014 from 5:00pm-7:00pm at the Sheraton Hotel. There will be a breakfast meeting the following morning with a keynote speaker from the Administration or key legislator. Additional information will be provided for elected officials who are interested in attending. Mr. Chidsey also announced the National League of Cities Conference and American Public Transportation Association (APTA) Conference is taking place the second week of March and SCAG is working with its partner transportation associations throughout California to sponsor a California Transportation Reception on March 11, 2014 from 6:00pm-8:00pm in Washington, D.C.

### **10. California Legislative Matrix**

The Matrix has been updated for the Committee's reference.

## **FUTURE AGENDA ITEMS**

### **ANNOUNCEMENTS**

None.

### **ADJOURNMENT**

The next regular meeting of the Legislative/Communications & Membership Committee is scheduled for 8:30 am – 10:00 am, Tuesday, March 18, 2014 at the SCAG Los Angeles office.

**Reviewed by:**



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*Darin Chidsey*  
*Director, Strategy, Policy & Public Affairs*

# REPORT

**DATE:** March 18, 2014

**TO:** Legislative/Communications & Membership Committee (LCMC)

**FROM:** Angela Rushen Ross, Manager, Media and Public Affairs, (213) 236-1809;  
[ross@scag.ca.gov](mailto:ross@scag.ca.gov)

**SUBJECT:** Proposed Final 2014 Public Participation Plan

The 2014 Draft Public Participation Plan was released for a mandatory 45-day public review and comment period on January 22, 2014. The comment period ended on March 7, 2014. SCAG staff received several comments and is currently engaged in evaluating these comments and preparing the Proposed Final 2014 Public Participation Plan to appropriately address them. Additional time is needed by SCAG staff to complete this process and therefore, the Proposed Final 2014 Public Participation Plan and associated staff report will be sent under separate cover to the Legislative/Communications & Membership Committee on Monday, March 17, 2014.

Staff is seeking the Committee's review and recommended approval of the Proposed Final 2014 Public Plan so that it may be presented to the Regional Council on April 3, 2014 for final approval.

## ATTACHMENT<

To be sent under separate cover.

# REPORT

**DATE:** March 18, 2014

**TO:** Legislative/Communications & Membership Committee (LCMC) *Pin Lin*

**FROM:** Darin Chidsey; Director, Strategy, Policy & Public Affairs; (213) 236-1836;  
[chidsey@scag.ca.gov](mailto:chidsey@scag.ca.gov)

**SUBJECT:** AB 1721 (Lindner): Vehicles: High-Occupancy Vehicle Lanes - SUPPORT

## RECOMMENDATION:

Support

## EXECUTIVE SUMMARY:

*Current law (V.C. §5205.5(h)(1)) exempts drivers of Zero Emission Vehicles (ZEVs) and other specified vehicles from paying the required toll on high-occupancy toll (HOT) lanes, including those of the proposed SR-15 Express Lanes project in Riverside County. However, under the same section other toll roads, bridges, and specific projects such as the federally supported value pricing and transit development demonstration program involving HOT lanes conducted by the Los Angeles County Metropolitan Transportation Authority for State Highway Route 10 or 110, are excluded from this exemption and, thus, otherwise exempt vehicles traversing these lanes are required to pay the toll. AB 1721 would, additionally, make this exclusion from the exemption of paying the toll applicable to the SR-15 Express Lanes project in Riverside County, thereby requiring such users of HOT lanes of this project to pay the toll. The bill is sponsored by the Riverside County Transportation Commission (RCTC).*

## STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

## BACKGROUND:

Existing law authorizes the state, until September 30, 2017, to allow specified labeled vehicles to use lanes designated for high-occupancy vehicles (HOVs). Current law also authorizes the Department of Transportation to designate certain lanes for the exclusive use of high-occupancy vehicles (HOVs), which may also be used until January 1, 2019 or until the date the federal authorization expires, whichever occurs first, by certain eligible low-emission and hybrid vehicles not carrying the requisite number of passengers otherwise required to use an HOV lane if the vehicle displays a vehicle identifier issued by the DMV.

Existing law also requires that a vehicle eligible under these provisions to use HOV lanes be exempt from toll charges imposed on single-occupant vehicles in designated high-occupancy toll (HOT) lanes unless prohibited by federal law. Existing law excludes from this exemption tolls pursuant to the federally supported value pricing and transit development demonstration program involving high-occupancy toll (HOT) lanes conducted by the Los Angeles County Metropolitan Transportation Authority for State Highway Route 10 or 110; thus, otherwise exempt HOV vehicles traversing these

# REPORT

HOT lanes must pay the toll. State law also excludes from the exemption state owned toll bridges and toll roads and toll highways.

This bill would *also exclude from the above described exemption* a toll imposed for passage in HOT lanes designated for State Highway Route 15 in Riverside County so that, likewise, HOVs in these HOT lanes too would be required to pay the toll. The bill is sponsored by RCTC.

The I-15 Express Lanes is a \$351 million highway project in Riverside County consisting of two new tolled express lanes between SR-60 and the southern boundary of the City of Corona. The I-15 Express Lanes were authorized by the Legislature in 2008 by AB 1954 (Jeffries) and approved by the California Transportation Commission (CTC) as one of four projects eligible for High-Occupancy Toll (HOT) lanes pursuant to AB 1467 (Nunez). The authorizing legislation gives RCTC clear authority to set tolling policy on I-15 in order to pay for capital construction and project development costs, operations, maintenance, and repair of the express lanes, for which RCTC is *solely* financially responsible. In addition, federal tolling authority for the I-15 Express Lanes has been received. There are zero state or federal grant funds used to build the I-15 Express Lanes; all funding for the project is from local sources (Measure A sales tax and toll revenue).

Construction of the I-15 Express Lanes will begin in 2018 and be completed in 2020. Leading up to construction in 2018, RCTC must achieve investment-grade debt ratings from Wall Street in order to secure a TIFIA loan from the federal government and sell toll revenue bonds (as RCTC did in 2013 for the SR-91 Project). The existence of state law interfering with RCTC tolling policy, and the potential for the Legislature to continue such practices, could negatively impact RCTC's credit rating and result in a risk premium that will be borne by RCTC and the taxpayers of Riverside County. Tolling policy must be left to the agency with direct financial responsibility.

RCTC in sponsoring this bill notes that VC §5205.5 gives exemptions to all tolled facilities in California other than the I-15 Express Lanes and the future Bay Area Express Lane Network, meaning that all other facilities are allowed to charge tolls to Zero Emission Vehicles (ZEV)s. The exclusion of I-15 in the law has never been explained or rationalized and, the sponsor contends that I-15 should be treated equitably with all other tolled facilities in California. Given the revenue challenges enumerated in the RTP/SCS and the region's need to embrace pricing and other user-based financing strategies, it is crucial that the state's policies enable local agencies to deploy these strategies. Further, according to a study by the UCLA Luskin School of Public Affairs, the most likely employers and retailers to be early adopters of electric vehicle charging stations in western Riverside County are the cities of Temecula, Murrieta, Eastvale, and Corona, all of which are cities on the I-15 corridor. ZEV travel is therefore likely to be higher on the I-15 corridor than on any other corridor in western Riverside County.

While appreciative of the clean-air goals of providing incentives for Zero Emission Vehicles (ZEVs), this particular state mandate caused by exemption of local toll authority interferes with local financing, degrades the user-pay nexus in the transportation system, and according to the sponsor sets a poor precedent in the state-local relationship. RCTC wishes to maintain flexibility to offer incentives to ZEV drivers, but recognizes that such policies should be adopted locally to meet operational and performance metrics of the individual facility rather than a mandated exemption from the state.

# REPORT

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Staff recommends the LCMC forward a support recommendation of AB 1721 to the Regional Council to preserve the discretion of a local, stakeholder partner to retain flexibility and control of tolling authority of the HOT lanes designated for State Highway Route 15 in Riverside County.

**ATTACHMENT<**  
AB 1721

**ASSEMBLY BILL****No. 1721****Introduced by Assembly Member Linder**

February 13, 2014

An act to amend Section 5205.5 of the Vehicle Code, relating to vehicles.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1721, as introduced, Linder. Vehicles: high-occupancy vehicle lanes.

Existing law authorizes, until September 30, 2017, a state to allow specified labeled vehicles to use lanes designated for high-occupancy vehicles (HOVs).

Existing law authorizes the Department of Transportation to designate certain lanes for the exclusive use of HOVs, which may also be used, until January 1, 2019, or until the date the federal authorization expires, or until the Secretary of State receives that specified notice, whichever occurs first, by certain eligible low-emission and hybrid vehicles not carrying the requisite number of passengers otherwise required for the use of an HOV lane if the vehicle displays a vehicle identifier issued by the Department of Motor Vehicles.

Existing law requires that a vehicle, eligible under these provisions to use HOV lanes, be exempt from toll charges imposed on single-occupant vehicles in designated high-occupancy toll (HOT) lanes unless prohibited by federal law. Existing law excludes from this exemption tolls pursuant to the federally supported value pricing and transit development demonstration program involving high-occupancy toll (HOT) lanes conducted by the Los Angeles County Metropolitan Transportation Authority for State Highway Route 10 or 110.

This bill would also exclude from the above-described exemption a toll imposed for passage in HOT lanes designated for State Highway Route 15 in Riverside County.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 5205.5 of the Vehicle Code is amended  
2 to read:

3 5205.5. (a) For purposes of implementing Section 21655.9,  
4 the department shall make available for issuance, for a fee  
5 determined by the department to be sufficient to reimburse the  
6 department for the actual costs incurred pursuant to this section,  
7 distinctive decals, labels, and other identifiers that clearly  
8 distinguish the following vehicles from other vehicles:

9 (1) A vehicle that meets California's super ultra-low emission  
10 vehicle (SULEV) standard for exhaust emissions and the federal  
11 inherently low-emission vehicle (ILEV) evaporative emission  
12 standard, as defined in Part 88 (commencing with Section  
13 88.101-94) of Title 40 of the Code of Federal Regulations.

14 (2) A vehicle that was produced during the 2004 model-year or  
15 earlier and meets California ultra-low emission vehicle (ULEV)  
16 standard for exhaust emissions and the federal ILEV standard.

17 (3) A vehicle that meets California's enhanced advanced  
18 technology partial zero-emission vehicle (enhanced AT PZEV)  
19 standard or transitional zero-emission vehicle (TZEV) standard.

20 (b) The department shall include a summary of the provisions  
21 of this section on each motor vehicle registration renewal notice,  
22 or on a separate insert, if space is available and the summary can  
23 be included without incurring additional printing or postage costs.

24 (c) The Department of Transportation shall remove individual  
25 HOV lanes, or portions of those lanes, during periods of peak  
26 congestion from the access provisions provided in subdivision (a),  
27 following a finding by the Department of Transportation as follows:

28 (1) The lane, or portion thereof, exceeds a level of service C,  
29 as discussed in subdivision (b) of Section 65089 of the Government  
30 Code.

1 (2) The operation or projected operation of the vehicles  
2 described in subdivision (a) in these lanes, or portions thereof, will  
3 significantly increase congestion.

4 (3) The finding shall also demonstrate the infeasibility of  
5 alleviating the congestion by other means, including, but not  
6 limited to, reducing the use of the lane by noneligible vehicles or  
7 further increasing vehicle occupancy.

8 (d) The State Air Resources Board shall publish and maintain  
9 a listing of all vehicles eligible for participation in the programs  
10 described in this section. The board shall provide that listing to  
11 the department.

12 (e) (1) For purposes of subdivision (a), the Department of the  
13 California Highway Patrol and the department, in consultation  
14 with the Department of Transportation, shall design and specify  
15 the placement of the decal, label, or other identifier on the vehicle.  
16 Each decal, label, or other identifier issued for a vehicle shall  
17 display a unique number, which number shall be printed on, or  
18 affixed to, the vehicle registration.

19 (2) Decals, labels, or other identifiers designed pursuant to this  
20 subdivision for a vehicle described in paragraph (3) of subdivision  
21 (a) shall be distinguishable from the decals, labels, or other  
22 identifiers that are designed for vehicles described in paragraphs  
23 (1) and (2) of subdivision (a).

24 (f) (1) Except as provided in paragraph (2), for purposes of  
25 paragraph (3) of subdivision (a), the department shall issue no  
26 more than 40,000 distinctive decals, labels, or other identifiers that  
27 clearly distinguish a vehicle specified in paragraph (3) of  
28 subdivision (a).

29 (2) The department may issue a decal, label, or other identifier  
30 for a vehicle that satisfies all of the following conditions:

31 (A) The vehicle is of a type identified in paragraph (3) of  
32 subdivision (a).

33 (B) The owner of the vehicle is the owner of a vehicle for which  
34 a decal, label, or other identifier described in paragraph (1) was  
35 previously issued and that vehicle for which the decal, label, or  
36 other identifier was previously issued is determined by the  
37 department, on the basis of satisfactory proof submitted by the  
38 owner to the department, to be a nonrepairable vehicle or a total  
39 loss salvage vehicle.

1 (C) The owner of the vehicle applied for a decal, label, or other  
2 identifier pursuant to this paragraph within six months of the date  
3 on which the vehicle for which a decal, label, or other identifier  
4 was previously issued is declared to be a nonrepairable vehicle or  
5 a total loss salvage vehicle.

6 (g) If the Metropolitan Transportation Commission, serving as  
7 the Bay Area Toll Authority, grants toll-free and reduced-rate  
8 passage on toll bridges under its jurisdiction to a vehicle pursuant  
9 to Section 30102.5 of the Streets and Highways Code, it shall also  
10 grant the same toll-free and reduced-rate passage to a vehicle  
11 displaying an identifier issued by the department pursuant to  
12 paragraph (1) or (2) of subdivision (a).

13 (h) (1) Notwithstanding Section 21655.9, and except as  
14 provided in paragraph (2), a vehicle described in subdivision (a)  
15 that displays a decal, label, or identifier issued pursuant to this  
16 section shall be exempt from toll charges imposed on  
17 single-occupant vehicles in high-occupancy toll lanes as described  
18 in Section 149.7 of the Streets and Highways Code unless  
19 prohibited by federal law.

20 (2) (A) Paragraph (1) does not apply to the imposition of a toll  
21 imposed for passage on a toll road or toll highway, that is not a  
22 high-occupancy toll lane as described in Section 149.7 of the  
23 Streets and Highways Code.

24 (B) On or before March 1, 2014, paragraph (1) does not apply  
25 to the imposition of a toll imposed for passage in lanes designated  
26 for tolls pursuant to the federally supported value pricing and  
27 transit development demonstration program operated pursuant to  
28 Section 149.9 of the Streets and Highways Code for State Highway  
29 Route 10 or 110.

30 (C) Paragraph (1) does not apply to the imposition of a toll  
31 charged for crossing a state-owned bridge.

32 (D) *Paragraph (1) does not apply to the imposition of a toll*  
33 *imposed for passage in lanes designated for tolls pursuant to*  
34 *Section 149.8 of the Streets and Highways Code for State Highway*  
35 *Route 15.*

36 (i) If the Director of Transportation determines that federal law  
37 does not authorize the state to allow vehicles that are identified by  
38 distinctive decals, labels, or other identifiers on vehicles described  
39 in subdivision (a) to use highway lanes or highway access ramps  
40 for high-occupancy vehicles regardless of vehicle occupancy, the

1 Director of Transportation shall submit a notice of that  
2 determination to the Secretary of State.

3 (j) This section shall become inoperative on January 1, 2019,  
4 or the date the federal authorization pursuant to Section 166 of  
5 Title 23 of the United States Code expires, or the date the Secretary  
6 of State receives the notice described in subdivision (i), whichever  
7 occurs first, and, as of January 1, 2019, is repealed, unless a later  
8 enacted statute, that becomes operative on or before January 1,  
9 2019, deletes or extends the dates on which it becomes inoperative  
10 and is repealed.

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# REPORT

**DATE:** March 18, 2014

**TO:** Legislative/Communications & Membership Committee (LCMC) *Din lin*

**FROM:** Darin Chidsey; Director, Strategy, Policy & Public Affairs; (213) 236-1836;  
[chidsey@scag.ca.gov](mailto:chidsey@scag.ca.gov)

**SUBJECT:** AB 1839 (Bocanegra/Gatto): California Film and Television Job Retention and Promotion Act - SUPPORT

## RECOMMENDATION:

Support

## EXECUTIVE SUMMARY:

*AB 1839 would, among other provisions, extend the state's existing film and tax credit program for five additional years and would lift the per-film budget cap so that big-budget films will be eligible to apply for the credit even if only qualified expenditures of up to \$100 million will be eligible for credit. The bill, which aims to mitigate and reverse the significant flight of film and TV production from California to other domestic and foreign jurisdictions, is consistent with objectives identified at SCAG's Annual Economic Summit as integral to helping achieve economic recovery to the region and are consistent with SCAG's board adopted legislative priorities for 2014.*

## STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

## BACKGROUND:

In an effort to combat film and television production flight out of California, in 2009 the Legislature passed the California Film and Television Tax Credit Program to promote film production and create and retain jobs in California. Since 2009, California has allocated \$100 million a year to eligible film and TV productions that meet specific criteria. To date, more than 270 projects, contributing more than \$4.75 billion in economic activity and creating more than 51,000 jobs, have benefitted from the program. Tax revenue generated from filming helps to pay for teachers, police officers and infrastructure throughout California.

The California Film Commission (CFC) administers the Program, allocating tax credit to each qualified taxpayer that is equal to either:

- 20% of the qualified production expenditures of a motion picture between \$1M and \$75M; or
- 25% of the qualified expenditures of an independent film or a television series that relocated to California

To qualify for the credit, productions must spend at least 75% of their budget *or* shoot 75% of their principal production in California. Allocations are assigned on a lottery basis at the beginning of each fiscal year. The credit is awarded by the CFC after the production is completed.

At least 43 other states and international governments offer tax incentives for film and TV production. Over the last decade, California's share of one-hour TV series dropped nearly 36%, costing the state nearly 10,000 jobs. Of the 41 big-budget films released in the last two years, only one was shot exclusively in California.

## **SCAG Efforts to Support Film & TV Production**

SCAG and its business and economic sector participants at its 1st Annual Regional Economic Summit in 2010 recognized the harm to the regional economy caused by the significant flight of film and television production to other states and nations offering attractive tax incentives to encourage production in their respective jurisdictions. Losing significant portions of this Southern California touchstone industry in the midst of the great recession led participants of the SCAG's Regional Economic Summit in 2010, 2011, 2012 and 2013 to recommend that the Regional Council take action to support the extension and enhancement of film and television tax credit program legislation to reverse the flight of production from California and assist economic recovery in Southern California. The Regional Council subsequently adopted, as part of its 2011, 2012, 2013, and 2014 state legislative principles and/or priorities the support of legislation that extends and enhances the state's film and television tax credit program. Accordingly SCAG has supported interim legislation to extend the program which is currently scheduled to expire on July 1, 2017.

## **AB 1839 Provisions**

As introduced, AB 1839 does several things:

- Extends the program for five additional years;
- Lifts the per-film budget cap so that big-budget films will be eligible to apply for the credit, but only qualified expenditures of up to \$100 million will be eligible for credit;
- Allows all, new, one-hour television series, regardless of where they air, to be eligible to apply for the program;
- Stimulates TV series production by allowing pilots shows to apply for the credit;
- Offers an additional 5% increase in the tax credit for filming that takes place outside of the Los Angeles Zone (an increase from 20% to 25%);
- Offers a 25% credit for television shows that relocate to California within the first year of production;
- Ensures that more jobs are created in California by modifying the current program requirement that 75% of production days occur in California to specify that 75% of the principal photography jobs occur in California; and
- Offers a 25% credit for television shows that relocate to California within the first year of production.

The bill was introduced on February 18, 2014, and is referred to the Assembly Committee on Arts, Entertainment, Sports, and Tourism and to the Assembly Committee on Revenue and Taxation for fiscal consideration. No hearings are currently scheduled.

## **ATTACHMENT<**

AB 1839

**ASSEMBLY BILL****No. 1839****Introduced by Assembly Members Gatto and Bocanegra****(Principal coauthors: Assembly Members Allen, Bloom, Bonta, Brown, Campos, Dababneh, Garcia, Gorell, Hall, Muratsuchi, V. Manuel Pérez, Rendon, and Wilk)****(Principal coauthors: Senators Lieu and Padilla)****(Coauthors: Assembly Members Achadjian, Alejo, Ammiano, Bigelow, Bradford, Chávez, Cooley, Dahle, Daly, Dickinson, Fox, Beth Gaines, Gonzalez, Hagman, Harkey, Roger Hernández, Holden, Jones, Jones-Sawyer, Levine, Logue, Lowenthal, Maienschein, Medina, Melendez, Mullin, Nestande, Pan, Patterson, Perea, Quirk, Quirk-Silva, Waldron, Weber, Wieckowski, and Williams)****(Coauthors: Senators Berryhill, Gaines, Knight, Liu, Pavley, Torres, and Walters)**

February 18, 2014

An act to add Sections 17053.95 and 23695 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1839, as introduced, Gatto. Taxation: credits: qualified motion pictures.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws, including a credit against those taxes for taxable years beginning on or after January 1, 2011, in an amount equal to an applicable percentage of either 20% or 25%, respectively, of the qualified expenditures, as defined, attributable to the production of a qualified motion picture in California,

or, where the qualified motion picture is a television series that relocated to California or is an independent film, as provided. Existing law imposes specified duties on the California Film Commission related to the administration of the credits, including a requirement to allocate the tax credits until July 1, 2017, and limits the aggregate amount of credits that may be allocated to qualified motion pictures in any fiscal year to \$100,000,000 through the 2016–17 fiscal year.

This bill would establish similar credits under the Personal Income Tax Law and the Corporation Tax Law for taxable years beginning on or after January 1, 2016, to be allocated by the California Film Commission on and after July 1, 2016 and before July 1, 2021. This bill would, as compared to the existing tax credits, extend the scope of the credits for a feature film to the applicable percentage of qualified expenditures up to \$100,000,000, extend the credit to qualified expenditures for television pilot episodes, and determine an applicable percentage of 25% or 20% for qualified expenditures for television series relocating to California based on the number of years the series has received the credit since relocation to California and where in California photography occurs. This bill would limit the aggregate amount of these new credits to be allocated in each fiscal year to an unspecified amount, and would also set aside specific credit allocation amounts for each fiscal year for independent films and for television series that relocate to California.

The bill would state that its provisions are severable.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17053.95 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.95. (a) (1) For taxable years beginning on or after
- 4 January 1, 2016, there shall be allowed to a qualified taxpayer a
- 5 credit against the “net tax,” as defined in Section 17039, in an
- 6 amount equal to the applicable percentage, as specified in
- 7 paragraph (4), of the qualified expenditures for the production of
- 8 a qualified motion picture in California. A credit shall not be
- 9 allowed under this section for any qualified expenditures for the

1 production of a motion picture in California if a credit has been  
2 claimed for those same expenditures under Section 17053.85.

3 (2) The credit shall be allowed for the taxable year in which the  
4 California Film Commission issues the credit certificate pursuant  
5 to subdivision (g) for the qualified motion picture, and shall be for  
6 the applicable percentage of all qualified expenditures paid or  
7 incurred by the qualified taxpayer in all taxable years for that  
8 qualified motion picture.

9 (3) The amount of the credit allowed to a qualified taxpayer  
10 shall be limited to the amount specified in the credit certificate  
11 issued to the qualified taxpayer by the California Film Commission  
12 pursuant to subdivision (g).

13 (4) For purposes of paragraphs (1) and (2), the applicable  
14 percentage shall be:

15 (A) Twenty percent of the qualified expenditures attributable  
16 to the production of a feature in California, up to one hundred  
17 million dollars (\$100,000,000), or attributable to a television series  
18 in its second or subsequent year of receiving a tax credit allocation  
19 pursuant to this section since relocation to California.

20 (B) Twenty-five percent of the qualified expenditures  
21 attributable to the production of a qualified motion picture in  
22 California where the qualified motion picture is a television series  
23 that relocated to California in its first year of receiving a tax credit  
24 allocation pursuant to this section or is an independent film.

25 (C) (i) The California Film Commission shall increase the  
26 applicable percentage by 5 percent if the qualified motion picture  
27 incurred or paid the qualified expenditures relating to original  
28 photography outside the Los Angeles zone.

29 (ii) For purposes of this subparagraph:

30 (I) "Applicable period" means the period that commences with  
31 pre production and ends when original photography concludes.  
32 The applicable period includes the time necessary to strike a remote  
33 location and return to the Los Angeles zone.

34 (II) "Los Angeles zone" means the area within a circle 30 miles  
35 in radius from Beverly Boulevard and La Cienega Boulevard, Los  
36 Angeles, California, and includes Agua Dulce, Castaic, including  
37 Lake Castaic, Leo Carillo State Beach, Ontario International  
38 Airport, Piru, and Pomona, including the Los Angeles County Fair  
39 grounds. The Metro Goldwyn Mayer, Inc. Conejo Ranch property  
40 is within the Los Angeles zone.

1 (III) “Original photography” includes principal photography,  
2 additional unit photography, and reshooting original footage.

3 (IV) “Qualified expenditures relating to original photography  
4 outside the Los Angeles zone” means amounts paid or incurred  
5 during the applicable period for tangible personal property used  
6 or consumed outside the Los Angeles zone and relating to original  
7 photography outside the Los Angeles zone and qualified wages  
8 paid for services performed outside the Los Angeles zone and  
9 relating to original photography outside the Los Angeles zone.

10 (b) For purposes of this section:

11 (1) “Ancillary product” means any article for sale to the public  
12 that contains a portion of, or any element of, the qualified motion  
13 picture.

14 (2) “Budget” means an estimate of all expenses paid or incurred  
15 during the production period of a qualified motion picture. It shall  
16 be the same budget used by the qualified taxpayer and production  
17 company for all qualified motion picture purposes.

18 (3) “Clip use” means a use of any portion of a motion picture,  
19 other than the qualified motion picture, used in the qualified motion  
20 picture.

21 (4) “Credit certificate” means the certificate issued by the  
22 California Film Commission pursuant to subparagraph (C) of  
23 paragraph (2) of subdivision (g).

24 (5) (A) “Employee fringe benefits” means the amount allowable  
25 as a deduction under this part to the qualified taxpayer involved  
26 in the production of the qualified motion picture, exclusive of any  
27 amounts contributed by employees, for any year during the  
28 production period with respect to any of the following:

29 (i) Employer contributions under any pension, profit-sharing,  
30 annuity, or similar plan.

31 (ii) Employer-provided coverage under any accident or health  
32 plan for employees.

33 (iii) The employer’s cost of life or disability insurance provided  
34 to employees.

35 (B) Any amount treated as wages under clause (i) of  
36 subparagraph (A) of paragraph (18) shall not be taken into account  
37 under this paragraph.

38 (6) “Independent film” means a motion picture with a minimum  
39 budget of one million dollars (\$1,000,000) and a maximum budget  
40 of ten million dollars (\$10,000,000) that is produced by a company

1 that is not publicly traded and publicly traded companies do not  
2 own, directly or indirectly, more than 25 percent of the producing  
3 company.

4 (7) "Licensing" means any grant of rights to distribute the  
5 qualified motion picture, in whole or in part.

6 (8) "New use" means any use of a motion picture in a medium  
7 other than the medium for which it was initially created.

8 (9) (A) "Post production" means the final activities in a  
9 qualified motion picture's production, including editing, foley  
10 recording, automatic dialogue replacement, sound editing, scoring,  
11 music track recording by musicians and music editing, beginning  
12 and end credits, negative cutting, negative processing and  
13 duplication, the addition of sound and visual effects, sound mixing,  
14 film-to-tape transfers, encoding, and color correction.

15 (B) "Post production" does not include the manufacture or  
16 shipping of release prints.

17 (10) "Preproduction" means the process of preparation for actual  
18 physical production which begins after a qualified motion picture  
19 has received a firm agreement of financial commitment, or is  
20 greenlit, with, for example, the establishment of a dedicated  
21 production office, the hiring of key crew members, and includes,  
22 but is not limited to, activities that include location scouting and  
23 execution of contracts with vendors of equipment and stage space.

24 (11) "Principal photography" means the phase of production  
25 during which the motion picture is actually shot, as distinguished  
26 from preproduction and post production.

27 (12) "Production period" means the period beginning with  
28 preproduction and ending upon completion of post production.

29 (13) "Qualified entity" means a personal service corporation as  
30 defined in Section 269A(b)(1) of the Internal Revenue Code, a  
31 payroll services corporation, or any entity receiving qualified wages  
32 with respect to services performed by a qualified individual.

33 (14) (A) "Qualified individual" means any individual who  
34 performs services during the production period in an activity related  
35 to the production of a qualified motion picture.

36 (B) "Qualified individual" shall not include either of the  
37 following:

38 (i) Any individual related to the qualified taxpayer as described  
39 in subparagraph (A), (B), or (C) of Section 51(i)(1) of the Internal  
40 Revenue Code.

1 (ii) Any 5-percent owner, as defined in Section 416(i)(1)(B) of  
2 the Internal Revenue Code, of the qualified taxpayer.

3 (15) (A) “Qualified motion picture” means a motion picture  
4 that is produced for distribution to the general public, regardless  
5 of medium, that is one of the following:

6 (i) A feature with a minimum production budget of one million  
7 dollars (\$1,000,000).

8 (ii) A movie of the week or miniseries with a minimum  
9 production budget of five hundred thousand dollars (\$500,000).

10 (iii) A new one-hour television series of episodes longer than  
11 40 minutes each of running time, exclusive of commercials, that  
12 is produced in California, with a minimum production budget of  
13 one million dollars (\$1,000,000) per episode.

14 (iv) An independent film.

15 (v) A television series that relocated to California.

16 (vi) A pilot for a new television series that is longer than 40  
17 minutes of running time, exclusive of commercials, that is produced  
18 in California, and with a minimum production budget of one  
19 million dollars (\$1,000,000).

20 (B) To qualify as a “qualified motion picture,” all of the  
21 following conditions shall be satisfied:

22 (i) At least 75 percent of the principal photography days occur  
23 wholly in California or 75 percent of the production budget is  
24 incurred for payment for services performed within the state and  
25 the purchase or rental of property used within the state.

26 (ii) Production of the qualified motion picture is completed  
27 within 30 months from the date on which the qualified taxpayer’s  
28 application is approved by the California Film Commission. For  
29 purposes of this section, a qualified motion picture is “completed”  
30 when the process of post production has been finished.

31 (iii) The copyright for the motion picture is registered with the  
32 United States Copyright Office pursuant to Title 17 of the United  
33 States Code.

34 (iv) Principal photography of the qualified motion picture  
35 commences after the date on which the application is approved by  
36 the California Film Commission, but no later than 180 days after  
37 the date of that approval unless death, disability, or disfigurement  
38 of the director or of a principal cast member, an act of God,  
39 including, but not limited to, fire, flood, earthquake, storm,  
40 hurricane, or other natural disaster, terrorist activities, or

1 government sanction has directly prevented a production's ability  
2 to begin principal photography within the prescribed 180-day  
3 commencement period.

4 (C) For the purposes of subparagraph (A), in computing the  
5 total wages paid or incurred for the production of a qualified  
6 motion picture, all amounts paid or incurred by all persons or  
7 entities that share in the costs of the qualified motion picture shall  
8 be aggregated.

9 (D) "Qualified motion picture" shall not include commercial  
10 advertising, music videos, a motion picture produced for private  
11 noncommercial use, such as weddings, graduations, or as part of  
12 an educational course and made by students, a news program,  
13 current events or public events program, talk show, game show,  
14 sporting event or activity, awards show, telethon or other  
15 production that solicits funds, reality television program, clip-based  
16 programming if more than 50 percent of the content is comprised  
17 of licensed footage, documentaries, variety programs, daytime  
18 dramas, strip shows, one-half hour (air time) episodic television  
19 shows, or any production that falls within the record keeping  
20 requirements of Section 2257 of Title 18 of the United States Code.

21 (16) "Qualified expenditures" means amounts paid or incurred  
22 for tangible personal property purchased or leased, and used, within  
23 this state in the production of a qualified motion picture and  
24 payments, including qualified wages, for services performed within  
25 this state in the production of a qualified motion picture.

26 (17) (A) "Qualified taxpayer" means a taxpayer who has paid  
27 or incurred qualified expenditures and has been issued a credit  
28 certificate by the California Film Commission pursuant to  
29 subdivision (g).

30 (B) In the case of any pass-thru entity, the determination of  
31 whether a taxpayer is a qualified taxpayer under this section shall  
32 be made at the entity level and any credit under this section is not  
33 allowed to the pass-thru entity, but shall be passed through to the  
34 partners or shareholders in accordance with applicable provisions  
35 of Part 10 (commencing with Section 17001) or Part 11  
36 (commencing with Section 23001). For purposes of this paragraph,  
37 "pass-thru entity" means any entity taxed as a partnership or "S"  
38 corporation.

39 (18) (A) "Qualified wages" means all of the following:

(i) Any wages subject to withholding under Division 6 (commencing with Section 13000) of the Unemployment Insurance Code that were paid or incurred by any taxpayer involved in the production of a qualified motion picture with respect to a qualified individual for services performed on the qualified motion picture production within this state.

(ii) The portion of any employee fringe benefits paid or incurred by any taxpayer involved in the production of the qualified motion picture that are properly allocable to qualified wage amounts described in clauses (i), (iii), and (iv).

(iii) Any payments made to a qualified entity for services performed in this state by qualified individuals within the meaning of paragraph (14).

(iv) Remuneration paid to an independent contractor who is a qualified individual for services performed within this state by that qualified individual.

(B) “Qualified wages” shall not include any of the following:

(i) Expenses, including wages, related to new use, reuse, clip use, licensing, secondary markets, or residual compensation, or the creation of any ancillary product, including, but not limited to, a soundtrack album, toy, game, trailer, or teaser.

(ii) Expenses, including wages, paid or incurred with respect to acquisition, development, turnaround, or any rights thereto.

(iii) Expenses, including wages, related to financing, overhead, marketing, promotion, or distribution of a qualified motion picture.

(iv) Expenses, including wages, paid per person per qualified motion picture for writers, directors, music directors, music composers, music supervisors, producers, and performers, other than background actors with no scripted lines.

(19) “Residual compensation” means supplemental compensation paid at the time that a motion picture is exhibited through new use, reuse, clip use, or in secondary markets, as distinguished from payments made during production.

(20) “Reuse” means any use of a qualified motion picture in the same medium for which it was created, following the initial use in that medium.

(21) “Secondary markets” means media in which a qualified motion picture is exhibited following the initial media in which it is exhibited.

1 (22) "Television series that relocated to California" means a  
2 television series, without regard to episode length or initial media  
3 exhibition, that filmed all of its prior season or seasons outside of  
4 California and for which the taxpayer certifies that the credit  
5 provided pursuant to this section is the primary reason for  
6 relocating to California.

7 (23) "Pilot for a new television series" means the initial episode  
8 produced for a proposed television series.

9 (c) (1) Notwithstanding any other law, a qualified taxpayer  
10 may sell any credit allowed under this section that is attributable  
11 to an independent film, as defined in paragraph (6) of subdivision  
12 (b), to an unrelated party.

13 (2) The qualified taxpayer shall report to the Franchise Tax  
14 Board prior to the sale of the credit, in the form and manner  
15 specified by the Franchise Tax Board, all required information  
16 regarding the purchase and sale of the credit, including the social  
17 security or other taxpayer identification number of the unrelated  
18 party to whom the credit has been sold, the face amount of the  
19 credit sold, and the amount of consideration received by the  
20 qualified taxpayer for the sale of the credit.

21 (3) In the case where the credit allowed under this section  
22 exceeds the "net tax," the excess credit may be carried over to  
23 reduce the "net tax" in the following taxable year, and succeeding  
24 five taxable years, if necessary, until the credit has been exhausted.

25 (4) A credit shall not be sold pursuant to this subdivision to  
26 more than one taxpayer, nor may the credit be resold by the  
27 unrelated party to another taxpayer or other party.

28 (5) A party that has acquired tax credits under this section shall  
29 be subject to the requirements of this section.

30 (6) In no event may a qualified taxpayer assign or sell any tax  
31 credit to the extent the tax credit allowed by this section is claimed  
32 on any tax return of the qualified taxpayer.

33 (7) In the event that both the taxpayer originally allocated a  
34 credit under this section by the California Film Commission and  
35 a taxpayer to whom the credit has been sold both claim the same  
36 amount of credit on their tax returns, the Franchise Tax Board may  
37 disallow the credit of either taxpayer, so long as the statute of  
38 limitations upon assessment remains open.

39 (8) Chapter 3.5 (commencing with Section 11340) of Part 1 of  
40 Division 3 of Title 2 of the Government Code does not apply to

1 any standard, criterion, procedure, determination, rule, notice, or  
2 guideline established or issued by the Franchise Tax Board  
3 pursuant to this subdivision.

4 (9) Subdivision (g) of Section 17039 shall not apply to any  
5 credit sold pursuant to this subdivision.

6 (10) For purposes of this subdivision, the unrelated party or  
7 parties that purchase a credit pursuant to this subdivision shall be  
8 treated as a qualified taxpayer pursuant to paragraph (1) of  
9 subdivision (a).

10 (d) No credit shall be allowed pursuant to this section unless  
11 the qualified taxpayer provides the following to the California  
12 Film Commission:

13 (1) Identification of each qualified individual.

14 (2) The specific start and end dates of production.

15 (3) The total wages paid.

16 (4) The amount of qualified wages paid to each qualified  
17 individual.

18 (5) The copyright registration number, as reflected on the  
19 certificate of registration issued under the authority of Section 410  
20 of Title 17 of the United States Code, relating to registration of  
21 claim and issuance of certificate. The registration number shall be  
22 provided on the return claiming the credit.

23 (6) The total amounts paid or incurred to purchase or lease  
24 tangible personal property used in the production of a qualified  
25 motion picture.

26 (7) Information to substantiate its qualified expenditures.

27 (8) Information required by the California Film Commission  
28 under regulations promulgated pursuant to subdivision (g)  
29 necessary to verify the amount of credit claimed.

30 (e) The California Film Commission may prescribe rules and  
31 regulations to carry out the purposes of this section including any  
32 rules and regulations necessary to establish procedures, processes,  
33 requirements, application fee structure, and rules identified in or  
34 required to implement this section, including credit and logo  
35 requirements. The regulations shall include provisions to set aside  
36 a percentage of annual credit allocations for independent films and  
37 television series relocating to California, pursuant to subdivision  
38 (i).

39 (f) If the qualified taxpayer fails to provide the copyright  
40 registration number as required in paragraph (5) of subdivision

(d), the credit shall be disallowed and assessed and collected under Section 19051 until the procedures are satisfied.

(g) For purposes of this section, the California Film Commission shall do the following:

(1) On or and after July 1, 2016, and before July 1, 2021, allocate tax credits to applicants.

(A) Establish a procedure for applicants to file with the California Film Commission a written application, on a form jointly prescribed by the California Film Commission and the Franchise Tax Board for the allocation of the tax credit. The application shall include, but not be limited to, the following information:

(i) The budget for the motion picture production.

(ii) The number of production days.

(iii) A financing plan for the production.

(iv) The diversity of the workforce employed by the applicant, including, but not limited to, the ethnic and racial makeup of the individuals employed by the applicant during the production of the qualified motion picture, to the extent possible.

(v) All members of a combined reporting group, if known at the time of the application.

(vi) Financial information, if available, including, but not limited to, the most recently produced balance sheets, annual statements of profits and losses, audited or unaudited financial statements, summary budget projections or results, or the functional equivalent of these documents of a partnership or owner of a single member limited liability company that is disregarded pursuant to Section 23038. The information provided pursuant to this clause shall be confidential and shall not be subject to public disclosure.

(vii) The names of all partners in a partnership not publicly traded or the names of all members of a limited liability company classified as a partnership not publicly traded for California income tax purposes that have a financial interest in the applicant's qualified motion picture. The information provided pursuant to this clause shall be confidential and shall not be subject to public disclosure.

(viii) Detailed narratives, for use only by the Legislative Analyst's Office in conducting a study of the effectiveness of this credit, that describe the extent to which the credit is expected to influence or affect filming and other business location decisions,

1 hiring decisions, salary decisions, and any other financial matters  
2 of the applicant.

3 (ix) Any other information deemed relevant by the California  
4 Film Commission or the Franchise Tax Board.

5 (B) Establish criteria, consistent with the requirements of this  
6 section, for allocating tax credits.

7 (C) Determine and designate applicants who meet the  
8 requirements of this section.

9 (D) Process and approve, or reject, all applications on a  
10 first-come-first-served basis.

11 (E) Subject to the annual cap established as provided in  
12 subdivision (i), allocate an aggregate amount of credits under this  
13 section and Section 23695, and allocate any carryover of  
14 unallocated credits from prior years.

15 (2) Certify tax credits allocated to qualified taxpayers.

16 (A) Establish a verification procedure for the amount of qualified  
17 expenditures paid or incurred by the applicant, including, but not  
18 limited to, updates to the information in subparagraph (A) of  
19 paragraph (1) of subdivision (g).

20 (B) Establish audit requirements that must be satisfied before  
21 a credit certificate may be issued by the California Film  
22 Commission.

23 (C) (i) Establish a procedure for a qualified taxpayer to report  
24 to the California Film Commission, prior to the issuance of a credit  
25 certificate, the following information:

26 (I) If readily available, a list of the states, provinces, or other  
27 jurisdictions in which any member of the applicant's combined  
28 reporting group in the same business unit as the qualified taxpayer  
29 that, in the preceding calendar year, has produced a qualified  
30 motion picture intended for release in the United States market.  
31 For purposes of this clause, "qualified motion picture" shall not  
32 include any episodes of a television series that were complete or  
33 in production prior to July 1, 2016.

34 (II) Whether a qualified motion picture described in subclause  
35 (I) was awarded any financial incentive by the state, province, or  
36 other jurisdiction that was predicated on the performance of  
37 primary principal photography or post production in that location.

38 (ii) The California Film Commission may provide that the report  
39 required by this subparagraph be filed in a single report provided

1 on a calendar year basis for those qualified taxpayers that receive  
2 multiple credit certificates in a calendar year.

3 (D) Issue a credit certificate to a qualified taxpayer upon  
4 completion of the qualified motion picture reflecting the credit  
5 amount allocated after qualified expenditures have been verified  
6 under this section. The amount of credit shown in the credit  
7 certificate shall not exceed the amount of credit allocated to that  
8 qualified taxpayer pursuant to this section.

9 (3) Obtain, when possible, the following information from  
10 applicants that do not receive an allocation of credit:

11 (A) Whether the qualified motion picture that was the subject  
12 of the application was completed.

13 (B) If completed, in which state or foreign jurisdiction was the  
14 primary principal photography completed.

15 (C) Whether the applicant received any financial incentives  
16 from the state or foreign jurisdiction to make the qualified motion  
17 picture in that location.

18 (4) Provide the Legislative Analyst's Office, upon request, any  
19 or all application materials or any other materials received from,  
20 or submitted by, the applicants, in electronic format when available,  
21 including, but not limited to, information provided pursuant to  
22 clauses (i) to (ix), inclusive, of subparagraph (A) of paragraph (1).

23 (5) The information provided to the California Film Commission  
24 pursuant to this section shall constitute confidential tax information  
25 for purposes of Article 2 (commencing with Section 19542) of  
26 Chapter 7 of Part 10.2.

27 (h) (1) The California Film Commission shall annually provide  
28 the Legislative Analyst's Office, the Franchise Tax Board, and the  
29 board with a list of qualified taxpayers and the tax credit amounts  
30 allocated to each qualified taxpayer by the California Film  
31 Commission. The list shall include the names and taxpayer  
32 identification numbers, including taxpayer identification numbers  
33 of each partner or shareholder, as applicable, of the qualified  
34 taxpayer.

35 (2) (A) Notwithstanding paragraph (5) of subdivision (g), the  
36 California Film Commission shall annually post on its Internet  
37 Web site and make available for public release the following:

38 (i) A table which includes all of the following information: a  
39 list of qualified taxpayers and the tax credit amounts allocated to  
40 each qualified taxpayer by the California Film Commission, the

1 number of production days in California the qualified taxpayer  
2 represented in its application would occur, the number of California  
3 jobs that the qualified taxpayer represented in its application would  
4 be directly created by the production, and the total amount of  
5 qualified expenditures expected to be spent by the production.

6 (ii) A narrative staff summary describing the production of the  
7 qualified taxpayer as well as background information regarding  
8 the qualified taxpayer contained in the qualified taxpayer's  
9 application for the credit.

10 (B) Nothing in this subdivision shall be construed to make the  
11 information submitted by an applicant for a tax credit under this  
12 section a public record.

13 (i) (1) The aggregate amount of credits that may be allocated  
14 in any fiscal year pursuant to this section and Section 23695 shall  
15 be an amount equal to the sum of all of the following:

16 (A) \_\_\_\_\_dollars (\$\_\_\_\_\_) in credits for the 2016–17 fiscal year  
17 and each fiscal year thereafter, through and including the 2020–21  
18 fiscal year.

19 (B) The unused allocation credit amount, if any, for the  
20 preceding fiscal year.

21 (C) The amount of previously allocated credits not certified.

22 (2) If the amount of credits applied for in any particular fiscal  
23 year exceeds the aggregate amount of tax credits authorized to be  
24 allocated under this section, that excess shall be treated as having  
25 been applied for on the first day of the subsequent fiscal year.  
26 However, credits may not be allocated from a fiscal year other  
27 than the fiscal year in which the credit was originally applied for  
28 or the immediately succeeding fiscal year.

29 (3) (A) Notwithstanding the foregoing, the California Film  
30 Commission shall set aside the lesser of 10 percent of the amount  
31 specified in subparagraph (A) of paragraph (1) or twenty million  
32 dollars (\$20,000,000) of tax credits each fiscal year for independent  
33 films allocated in accordance with rules and regulations developed  
34 pursuant to subdivision (e).

35 (B) Notwithstanding the foregoing, the California Film  
36 Commission shall set aside up to thirty million dollars  
37 (\$30,000,000) of tax credit each fiscal year for television series  
38 that relocated to California in its first year of receiving a tax credit  
39 allocation pursuant to this section allocated in accordance with  
40 rules and regulations developed pursuant to subdivision (e).

(4) Any act that reduces the amount that may be allocated pursuant to paragraph (1) constitutes a change in state taxes for the purpose of increasing revenues within the meaning of Section 3 of Article XIII A of the California Constitution and may be passed by not less than two-thirds of all Members elected to each of the two houses of the Legislature.

(j) The California Film Commission shall have the authority to allocate tax credits in accordance with this section and in accordance with any regulations prescribed pursuant to subdivision (e) upon adoption.

SEC. 2. Section 23695 is added to the Revenue and Taxation Code, to read:

23695. (a) (1) For taxable years beginning on or after January 1, 2016, there shall be allowed to a qualified taxpayer a credit against the "tax," as defined in Section 23036, in an amount equal to the applicable percentage, as specified in paragraph (4), of the qualified expenditures for the production of a qualified motion picture in California. A credit shall not be allowed under this section for any qualified expenditures for the production of a motion picture in California if a credit has been claimed for those same expenditures under Section 23695.

(2) The credit shall be allowed for the taxable year in which the California Film Commission issues the credit certificate pursuant to subdivision (g) for the qualified motion picture, and shall be for the applicable percentage of all qualified expenditures paid or incurred by the qualified taxpayer in all taxable years for that qualified motion picture.

(3) The amount of the credit allowed to a qualified taxpayer shall be limited to the amount specified in the credit certificate issued to the qualified taxpayer by the California Film Commission pursuant to subdivision (g).

(4) For purposes of paragraphs (1) and (2), the applicable percentage shall be:

(A) Twenty percent of the qualified expenditures attributable to the production of a feature in California, up to one hundred million dollars (\$100,000,000), or attributable to a television series in its second or subsequent year of receiving a tax credit allocation pursuant to this section since relocation to California.

(B) Twenty-five percent of the qualified expenditures attributable to the production of a qualified motion picture in

1 California where the qualified motion picture is a television series  
2 that relocated to California in its first year of receiving a tax credit  
3 allocation pursuant to this section or is an independent film.

4 (C) (i) The California Film Commission shall increase the  
5 applicable percentage by 5 percent if the qualified motion picture  
6 incurred or paid the qualified expenditures relating to original  
7 photography outside the Los Angeles zone.

8 (ii) For purposes of this subparagraph:

9 (I) “Applicable period” means the period that commences with  
10 preproduction and ends when original photography concludes. The  
11 applicable period includes the time necessary to strike a remote  
12 location and return to the Los Angeles zone.

13 (II) “Los Angeles zone” means the area within a circle 30 miles  
14 in radius from Beverly Boulevard and La Cienega Boulevard, Los  
15 Angeles, California, and includes Agua Dulce, Castaic, including  
16 Lake Castaic, Leo Carillo State Beach, Ontario International  
17 Airport, Piru, and Pomona, including the Los Angeles County Fair  
18 grounds. The Metro Goldwyn Mayer, Inc. Conejo Ranch property  
19 is within the Los Angeles zone.

20 (III) “Original photography” includes principal photography,  
21 additional unit photography, and reshooting original footage.

22 (IV) “Qualified expenditures relating to original photography  
23 outside the Los Angeles zone” means amounts paid or incurred  
24 during the applicable period for tangible personal property used  
25 or consumed outside the Los Angeles zone and relating to original  
26 photography outside the Los Angeles zone and qualified wages  
27 paid for services performed outside the Los Angeles zone and  
28 relating to original photography outside the Los Angeles zone.

29 (b) For purposes of this section:

30 (1) “Ancillary product” means any article for sale to the public  
31 that contains a portion of, or any element of, the qualified motion  
32 picture.

33 (2) “Budget” means an estimate of all expenses paid or incurred  
34 during the production period of a qualified motion picture. It shall  
35 be the same budget used by the qualified taxpayer and production  
36 company for all qualified motion picture purposes.

37 (3) “Clip use” means a use of any portion of a motion picture,  
38 other than the qualified motion picture, used in the qualified motion  
39 picture.

1 (4) “Credit certificate” means the certificate issued by the  
2 California Film Commission pursuant to subparagraph (C) of  
3 paragraph (2) of subdivision (g).

4 (5) (A) “Employee fringe benefits” means the amount allowable  
5 as a deduction under this part to the qualified taxpayer involved  
6 in the production of the qualified motion picture, exclusive of any  
7 amounts contributed by employees, for any year during the  
8 production period with respect to any of the following:

9 (i) Employer contributions under any pension, profit-sharing,  
10 annuity, or similar plan.

11 (ii) Employer-provided coverage under any accident or health  
12 plan for employees.

13 (iii) The employer’s cost of life or disability insurance provided  
14 to employees.

15 (B) Any amount treated as wages under clause (i) of  
16 subparagraph (A) of paragraph (18) shall not be taken into account  
17 under this paragraph.

18 (6) “Independent film” means a motion picture with a minimum  
19 budget of one million dollars (\$1,000,000) and a maximum budget  
20 of ten million dollars (\$10,000,000) that is produced by a company  
21 that is not publicly traded and publicly traded companies do not  
22 own, directly or indirectly, more than 25 percent of the producing  
23 company.

24 (7) “Licensing” means any grant of rights to distribute the  
25 qualified motion picture, in whole or in part.

26 (8) “New use” means any use of a motion picture in a medium  
27 other than the medium for which it was initially created.

28 (9) (A) “Post production” means the final activities in a  
29 qualified motion picture’s production, including editing, foley  
30 recording, automatic dialogue replacement, sound editing, scoring,  
31 music track recording by musicians and music editing, beginning  
32 and end credits, negative cutting, negative processing and  
33 duplication, the addition of sound and visual effects, soundmixing,  
34 film-to-tape transfers, encoding, and color correction.

35 (B) “Post production” does not include the manufacture or  
36 shipping of release prints.

37 (10) “Preproduction” means the process of preparation for actual  
38 physical production which begins after a qualified motion picture  
39 has received a firm agreement of financial commitment, or is  
40 greenlit, with, for example, the establishment of a dedicated

1 production office, the hiring of key crew members, and includes,  
2 but is not limited to, activities that include location scouting and  
3 execution of contracts with vendors of equipment and stage space.

4 (11) “Principal photography” means the phase of production  
5 during which the motion picture is actually shot, as distinguished  
6 from preproduction and post production.

7 (12) “Production period” means the period beginning with  
8 preproduction and ending upon completion of post production.

9 (13) “Qualified entity” means a personal service corporation as  
10 defined in Section 269A(b)(1) of the Internal Revenue Code, a  
11 payroll services corporation, or any entity receiving qualified wages  
12 with respect to services performed by a qualified individual.

13 (14) (A) “Qualified individual” means any individual who  
14 performs services during the production period in an activity related  
15 to the production of a qualified motion picture.

16 (B) “Qualified individual” shall not include either of the  
17 following:

18 (i) Any individual related to the qualified taxpayer as described  
19 in subparagraph (A), (B), or (C) of Section 51(i)(1) of the Internal  
20 Revenue Code.

21 (ii) Any 5-percent owner, as defined in Section 416(i)(1)(B) of  
22 the Internal Revenue Code, of the qualified taxpayer.

23 (15) (A) “Qualified motion picture” means a motion picture  
24 that is produced for distribution to the general public, regardless  
25 of medium, that is one of the following:

26 (i) A feature with a minimum production budget of one million  
27 dollars (\$1,000,000).

28 (ii) A movie of the week or miniseries with a minimum  
29 production budget of five hundred thousand dollars (\$500,000).

30 (iii) A new one-hour television series of episodes longer than  
31 40 minutes each of running time, exclusive of commercials, that  
32 is produced in California, with a minimum production budget of  
33 one million dollars (\$1,000,000) per episode.

34 (iv) An independent film.

35 (v) A television series that relocated to California.

36 (vi) A pilot for a new television series that is longer than 40  
37 minutes of running time, exclusive of commercials, that is produced  
38 in California, and with a minimum production budget of one  
39 million dollars (\$1,000,000).

1 (B) To qualify as a “qualified motion picture,” all of the  
2 following conditions shall be satisfied:

3 (i) At least 75 percent of the principal photography days occur  
4 wholly in California or 75 percent of the production budget is  
5 incurred for payment for services performed within the state and  
6 the purchase or rental of property used within the state.

7 (ii) Production of the qualified motion picture is completed  
8 within 30 months from the date on which the qualified taxpayer’s  
9 application is approved by the California Film Commission. For  
10 purposes of this section, a qualified motion picture is “completed”  
11 when the process of post production has been finished.

12 (iii) The copyright for the motion picture is registered with the  
13 United States Copyright Office pursuant to Title 17 of the United  
14 States Code.

15 (iv) Principal photography of the qualified motion picture  
16 commences after the date on which the application is approved by  
17 the California Film Commission, but no later than 180 days after  
18 the date of that approval unless death, disability, or disfigurement  
19 of the director or of a principal cast member, an act of God,  
20 including, but not limited to, fire, flood, earthquake, storm,  
21 hurricane, or other natural disaster, terrorist activities, or  
22 government sanction has directly prevented a production’s ability  
23 to begin principal photography within the prescribed 180-day  
24 commencement period.

25 (C) For the purposes of subparagraph (A), in computing the  
26 total wages paid or incurred for the production of a qualified  
27 motion picture, all amounts paid or incurred by all persons or  
28 entities that share in the costs of the qualified motion picture shall  
29 be aggregated.

30 (D) “Qualified motion picture” shall not include commercial  
31 advertising, music videos, a motion picture produced for private  
32 noncommercial use, such as weddings, graduations, or as part of  
33 an educational course and made by students, a news program,  
34 current events or public events program, talk show, game show,  
35 sporting event or activity, awards show, telethon or other  
36 production that solicits funds, reality television program, clip-based  
37 programming if more than 50 percent of the content is comprised  
38 of licensed footage, documentaries, variety programs, daytime  
39 dramas, strip shows, one-half hour (air time) episodic television

1 shows, or any production that falls within the recordkeeping  
2 requirements of Section 2257 of Title 18 of the United States Code.

3 (16) “Qualified expenditures” means amounts paid or incurred  
4 for tangible personal property purchased or leased, and used, within  
5 this state in the production of a qualified motion picture and  
6 payments, including qualified wages, for services performed within  
7 this state in the production of a qualified motion picture.

8 (17) (A) “Qualified taxpayer” means a taxpayer who has paid  
9 or incurred qualified expenditures and has been issued a credit  
10 certificate by the California Film Commission pursuant to  
11 subdivision (g).

12 (B) (i) In the case of any pass-thru entity, the determination of  
13 whether a taxpayer is a qualified taxpayer under this section shall  
14 be made at the entity level and any credit under this section is not  
15 allowed to the pass-thru entity, but shall be passed through to the  
16 partners or shareholders in accordance with applicable provisions  
17 of Part 10 (commencing with Section 17001) or Part 11  
18 (commencing with Section 23001). For purposes of this paragraph,  
19 “pass-thru entity” means any entity taxed as a partnership or “S”  
20 corporation.

21 (ii) In the case of an “S” corporation, the credit allowed under  
22 this section shall not be used by an “S” corporation as a credit  
23 against a tax imposed under Chapter 4.5 (commencing with Section  
24 23800) of Part 11 of Division 2.

25 (18) (A) “Qualified wages” means all of the following:

26 (i) Any wages subject to withholding under Division 6  
27 (commencing with Section 13000) of the Unemployment Insurance  
28 Code that were paid or incurred by any taxpayer involved in the  
29 production of a qualified motion picture with respect to a qualified  
30 individual for services performed on the qualified motion picture  
31 production within this state.

32 (ii) The portion of any employee fringe benefits paid or incurred  
33 by any taxpayer involved in the production of the qualified motion  
34 picture that are properly allocable to qualified wage amounts  
35 described in clauses (i), (iii), and (iv).

36 (iii) Any payments made to a qualified entity for services  
37 performed in this state by qualified individuals within the meaning  
38 of paragraph (14).

1 (iv) Remuneration paid to an independent contractor who is a  
2 qualified individual for services performed within this state by that  
3 qualified individual.

4 (B) “Qualified wages” shall not include any of the following:

5 (i) Expenses, including wages, related to new use, reuse, clip  
6 use, licensing, secondary markets, or residual compensation, or  
7 the creation of any ancillary product, including, but not limited to,  
8 a soundtrack album, toy, game, trailer, or teaser.

9 (ii) Expenses, including wages, paid or incurred with respect to  
10 acquisition, development, turnaround, or any rights thereto.

11 (iii) Expenses, including wages, related to financing, overhead,  
12 marketing, promotion, or distribution of a qualified motion picture.

13 (iv) Expenses, including wages, paid per person per qualified  
14 motion picture for writers, directors, music directors, music  
15 composers, music supervisors, producers, and performers, other  
16 than background actors with no scripted lines.

17 (19) “Residual compensation” means supplemental  
18 compensation paid at the time that a motion picture is exhibited  
19 through new use, reuse, clip use, or in secondary markets, as  
20 distinguished from payments made during production.

21 (20) “Reuse” means any use of a qualified motion picture in the  
22 same medium for which it was created, following the initial use  
23 in that medium.

24 (21) “Secondary markets” means media in which a qualified  
25 motion picture is exhibited following the initial media in which it  
26 is exhibited.

27 (22) “Television series that relocated to California” means a  
28 television series, without regard to episode length or initial media  
29 exhibition, that filmed all of its prior season or seasons outside of  
30 California and for which the taxpayer certifies that the credit  
31 provided pursuant to this section is the primary reason for  
32 relocating to California.

33 (23) “Pilot for a new television series” means the initial episode  
34 produced for a proposed television series.

35 (c) (1) Notwithstanding subdivision (i) of Section 23036, in  
36 the case where the credit allowed by this section exceeds the  
37 taxpayer’s tax liability computed under this part, a qualified  
38 taxpayer may elect to assign any portion of the credit allowed  
39 under this section to one or more affiliated corporations for each  
40 taxable year in which the credit is allowed. For purposes of this

subdivision, “affiliated corporation” has the meaning provided in subdivision (b) of Section 25110, as that section was amended by Chapter 881 of the Statutes of 1993, as of the last day of the taxable year in which the credit is allowed, except that “100 percent” is substituted for “more than 50 percent” wherever it appears in the section, and “voting common stock” is substituted for “voting stock” wherever it appears in the section.

(2) The election provided in paragraph (1):

(A) May be based on any method selected by the qualified taxpayer that originally receives the credit.

(B) Shall be irrevocable for the taxable year the credit is allowed, once made.

(C) May be changed for any subsequent taxable year if the election to make the assignment is expressly shown on each of the returns of the qualified taxpayer and the qualified taxpayer’s affiliated corporations that assign and receive the credits.

(D) Shall be reported to the Franchise Tax Board, in the form and manner specified by the Franchise Tax Board, along with all required information regarding the assignment of the credit, including the corporation number, the federal employer identification number, or other taxpayer identification number of the assignee, and the amount of the credit assigned.

(3) (A) Notwithstanding any other law, a qualified taxpayer may sell any credit allowed under this section that is attributable to an independent film, as defined in paragraph (6) of subdivision (b), to an unrelated party.

(B) The qualified taxpayer shall report to the Franchise Tax Board prior to the sale of the credit, in the form and manner specified by the Franchise Tax Board, all required information regarding the purchase and sale of the credit, including the social security or other taxpayer identification number of the unrelated party to whom the credit has been sold, the face amount of the credit sold, and the amount of consideration received by the qualified taxpayer for the sale of the credit.

(4) In the case where the credit allowed under this section exceeds the “tax,” the excess credit may be carried over to reduce the “tax” in the following taxable year, and succeeding five taxable years, if necessary, until the credit has been exhausted.

1 (5) A credit shall not be sold pursuant to this subdivision to  
2 more than one taxpayer, nor may the credit be resold by the  
3 unrelated party to another taxpayer or other party.

4 (6) A party that has been assigned or acquired tax credits under  
5 this paragraph shall be subject to the requirements of this section.

6 (7) In no event may a qualified taxpayer assign or sell any tax  
7 credit to the extent the tax credit allowed by this section is claimed  
8 on any tax return of the qualified taxpayer.

9 (8) In the event that both the taxpayer originally allocated a  
10 credit under this section by the California Film Commission and  
11 a taxpayer to whom the credit has been sold both claim the same  
12 amount of credit on their tax returns, the Franchise Tax Board may  
13 disallow the credit of either taxpayer, so long as the statute of  
14 limitations upon assessment remains open.

15 (9) Chapter 3.5 (commencing with Section 11340) of Part 1 of  
16 Division 3 of Title 2 of the Government Code does not apply to  
17 any standard, criterion, procedure, determination, rule, notice, or  
18 guideline established or issued by the Franchise Tax Board  
19 pursuant to this subdivision.

20 (10) Subdivision (i) of Section 23036 shall not apply to any  
21 credit sold pursuant to this subdivision.

22 (11) For purposes of this subdivision:

23 (A) An affiliated corporation or corporations that are assigned  
24 a credit pursuant to paragraph (1) shall be treated as a qualified  
25 taxpayer pursuant to paragraph (1) of subdivision (a).

26 (B) The unrelated party or parties that purchase a credit pursuant  
27 to paragraph (3) shall be treated as a qualified taxpayer pursuant  
28 to paragraph (1) of subdivision (a).

29 (d) No credit shall be allowed pursuant to this section unless  
30 the qualified taxpayer provides the following to the California  
31 Film Commission:

32 (1) Identification of each qualified individual.

33 (2) The specific start and end dates of production.

34 (3) The total wages paid.

35 (4) The amount of qualified wages paid to each qualified  
36 individual.

37 (5) The copyright registration number, as reflected on the  
38 certificate of registration issued under the authority of Section 410  
39 of Title 17 of the United States Code, relating to registration of

1 claim and issuance of certificate. The registration number shall be  
2 provided on the return claiming the credit.

3 (6) The total amounts paid or incurred to purchase or lease  
4 tangible personal property used in the production of a qualified  
5 motion picture.

6 (7) Information to substantiate its qualified expenditures.

7 (8) Information required by the California Film Commission  
8 under regulations promulgated pursuant to subdivision (g)  
9 necessary to verify the amount of credit claimed.

10 (e) The California Film Commission may prescribe rules and  
11 regulations to carry out the purposes of this section including any  
12 rules and regulations necessary to establish procedures, processes,  
13 requirements, application fee structure, and rules identified in or  
14 required to implement this section, including credit and logo  
15 requirements. The regulations shall include provisions to set aside  
16 a percentage of annual credit allocations for independent films and  
17 television series relocating to California, pursuant to subdivision  
18 (i).

19 (f) If the qualified taxpayer fails to provide the copyright  
20 registration number as required in paragraph (5) of subdivision  
21 (d), the credit shall be disallowed and assessed and collected under  
22 Section 19051 until the procedures are satisfied.

23 (g) For purposes of this section, the California Film Commission  
24 shall do the following:

25 (1) On or after July 1, 2016, and before July 1, 2021, allocate  
26 tax credits to applicants.

27 (A) Establish a procedure for applicants to file with the  
28 California Film Commission a written application, on a form jointly  
29 prescribed by the California Film Commission and the Franchise  
30 Tax Board for the allocation of the tax credit. The application shall  
31 include, but not be limited to, the following information:

32 (i) The budget for the motion picture production.

33 (ii) The number of production days.

34 (iii) A financing plan for the production.

35 (iv) The diversity of the workforce employed by the applicant,  
36 including, but not limited to, the ethnic and racial makeup of the  
37 individuals employed by the applicant during the production of  
38 the qualified motion picture, to the extent possible.

39 (v) All members of a combined reporting group, if known at  
40 the time of the application.

(vi) Financial information, if available, including, but not limited to, the most recently produced balance sheets, annual statements of profits and losses, audited or unaudited financial statements, summary budget projections or results, or the functional equivalent of these documents of a partnership or owner of a single member limited liability company that is disregarded pursuant to Section 23038. The information provided pursuant to this clause shall be confidential and shall not be subject to public disclosure.

(vii) The names of all partners in a partnership not publicly traded or the names of all members of a limited liability company classified as a partnership not publicly traded for California income tax purposes that have a financial interest in the applicant's qualified motion picture. The information provided pursuant to this clause shall be confidential and shall not be subject to public disclosure.

(viii) Detailed narratives, for use only by the Legislative Analyst's Office in conducting a study of the effectiveness of this credit, that describe the extent to which the credit is expected to influence or affect filming and other business location decisions, hiring decisions, salary decisions, and any other financial matters of the applicant.

(ix) Any other information deemed relevant by the California Film Commission or the Franchise Tax Board.

(B) Establish criteria, consistent with the requirements of this section, for allocating tax credits.

(C) Determine and designate applicants who meet the requirements of this section.

(D) Process and approve, or reject, all applications on a first-come-first-served basis.

(E) Subject to the annual cap established as provided in subdivision (i), allocate an aggregate amount of credits under this section and Section 17053.95, and allocate any carryover of unallocated credits from prior years.

(2) Certify tax credits allocated to qualified taxpayers.

(A) Establish a verification procedure for the amount of qualified expenditures paid or incurred by the applicant, including, but not limited to, updates to the information in subparagraph (A) of paragraph (1) of subdivision (g).

1 (B) Establish audit requirements that must be satisfied before  
2 a credit certificate may be issued by the California Film  
3 Commission.

4 (C) (i) Establish a procedure for a qualified taxpayer to report  
5 to the California Film Commission, prior to the issuance of a credit  
6 certificate, the following information:

7 (I) If readily available, a list of the states, provinces, or other  
8 jurisdictions in which any member of the applicant's combined  
9 reporting group in the same business unit as the qualified taxpayer  
10 that, in the preceding calendar year, has produced a qualified  
11 motion picture intended for release in the United States market.  
12 For purposes of this clause, "qualified motion picture" shall not  
13 include any episodes of a television series that were complete or  
14 in production prior to July 1, 2016.

15 (II) Whether a qualified motion picture described in subclause  
16 (I) was awarded any financial incentive by the state, province, or  
17 other jurisdiction that was predicated on the performance of  
18 primary principal photography or post production in that location.

19 (ii) The California Film Commission may provide that the report  
20 required by this subparagraph be filed in a single report provided  
21 on a calendar year basis for those qualified taxpayers that receive  
22 multiple credit certificates in a calendar year.

23 (D) Issue a credit certificate to a qualified taxpayer upon  
24 completion of the qualified motion picture reflecting the credit  
25 amount allocated after qualified expenditures have been verified  
26 under this section. The amount of credit shown in the credit  
27 certificate shall not exceed the amount of credit allocated to that  
28 qualified taxpayer pursuant to this section.

29 (3) Obtain, when possible, the following information from  
30 applicants that do not receive an allocation of credit:

31 (A) Whether the qualified motion picture that was the subject  
32 of the application was completed.

33 (B) If completed, in which state or foreign jurisdiction was the  
34 primary principal photography completed.

35 (C) Whether the applicant received any financial incentives  
36 from the state or foreign jurisdiction to make the qualified motion  
37 picture in that location.

38 (4) Provide the Legislative Analyst's Office, upon request, any  
39 or all application materials or any other materials received from,  
40 or submitted by, the applicants, in electronic format when available,

1 including, but not limited to, information provided pursuant to  
2 clauses (i) to (ix), inclusive, of subparagraph (A) of paragraph (1).

3 (5) The information provided to the California Film Commission  
4 pursuant to this section shall constitute confidential tax information  
5 for purposes of Article 2 (commencing with Section 19542) of  
6 Chapter 7 of Part 10.2.

7 (h) (1) The California Film Commission shall annually provide  
8 the Legislative Analyst's Office, the Franchise Tax Board, and the  
9 board with a list of qualified taxpayers and the tax credit amounts  
10 allocated to each qualified taxpayer by the California Film  
11 Commission. The list shall include the names and taxpayer  
12 identification numbers, including taxpayer identification numbers  
13 of each partner or shareholder, as applicable, of the qualified  
14 taxpayer.

15 (2) (A) Notwithstanding paragraph (5) of subdivision (g), the  
16 California Film Commission shall annually post on its Internet  
17 Web site and make available for public release the following:

18 (i) A table which includes all of the following information: a  
19 list of qualified taxpayers and the tax credit amounts allocated to  
20 each qualified taxpayer by the California Film Commission, the  
21 number of production days in California the qualified taxpayer  
22 represented in its application would occur, the number of California  
23 jobs that the qualified taxpayer represented in its application would  
24 be directly created by the production, and the total amount of  
25 qualified expenditures expected to be spent by the production.

26 (ii) A narrative staff summary describing the production of the  
27 qualified taxpayer as well as background information regarding  
28 the qualified taxpayer contained in the qualified taxpayer's  
29 application for the credit.

30 (B) Nothing in this subdivision shall be construed to make the  
31 information submitted by an applicant for a tax credit under this  
32 section a public record.

33 (i) (1) The aggregate amount of credits that may be allocated  
34 in any fiscal year pursuant to this section and Section 17053.95  
35 shall be an amount equal to the sum of all of the following:

36 (A) \_\_\_\_\_dollars (\$\_\_\_\_\_) in credits for the 2016–17 fiscal year  
37 and each fiscal year thereafter, through and including the 2020–21  
38 fiscal year.

39 (B) The unused allocation credit amount, if any, for the  
40 preceding fiscal year.

1 (C) The amount of previously allocated credits not certified.

2 (2) If the amount of credits applied for in any particular fiscal  
3 year exceeds the aggregate amount of tax credits authorized to be  
4 allocated under this section, the excess shall be treated as having  
5 been applied for on the first day of the subsequent fiscal year.  
6 However, credits may not be allocated from a fiscal year other  
7 than the fiscal year in which the credit was originally applied for  
8 or the immediately succeeding fiscal year.

9 (3) (A) Notwithstanding the foregoing, the California Film  
10 Commission shall set aside the lesser of 10 percent of the amount  
11 specified in subparagraph (A) of paragraph (1) or twenty million  
12 dollars (\$20,000,000) of tax credits each fiscal year for independent  
13 films allocated in accordance with rules and regulations developed  
14 pursuant to subdivision (e).

15 (B) Notwithstanding the foregoing, the California Film  
16 Commission shall set aside up to thirty million dollars  
17 (\$30,000,000) of tax credit each fiscal year for television series  
18 that relocated to California in its first year of receiving a tax credit  
19 allocation pursuant to this section allocated in accordance with  
20 rules and regulations developed pursuant to subdivision (e).

21 (4) Any act that reduces the amount that may be allocated  
22 pursuant to paragraph (1) constitutes a change in state taxes for  
23 the purpose of increasing revenues within the meaning of Section  
24 3 of Article XIII A of the California Constitution and may be  
25 passed by not less than two-thirds of all Members elected to each  
26 of the two houses of the Legislature.

27 (j) The California Film Commission shall have the authority to  
28 allocate tax credits in accordance with this section and in  
29 accordance with any regulations prescribed pursuant to subdivision  
30 (e) upon adoption.

31 SEC. 3. The provisions of this act are severable. If any  
32 provision of this act or its application is held invalid, that invalidity  
33 shall not affect other provisions or applications that can be given  
34 effect without the invalid provision or application.

35 SEC. 4. This act provides for a tax levy within the meaning of  
36 Article IV of the Constitution and shall go into immediate effect.

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# REPORT

**DATE:** March 18, 2014

**TO:** Legislative/Communications & Membership Committee (LCMC)

**FROM:** Darin Chidsey; Director, Strategy, Policy & Public Affairs; (213) 236-1836;  
[chidsey@scag.ca.gov](mailto:chidsey@scag.ca.gov)

**SUBJECT:** SB 1298 (Hernandez) - High-Occupancy Toll Lanes - SUPPORT

## RECOMMENDED ACTION:

Support

## EXECUTIVE SUMMARY:

*SB 1298 (Hernandez) would eliminate restrictions statewide on the installation of high-occupancy toll (HOT) lanes such as the existing cap of two HOT lanes each for Northern and Southern California, respectively. In addition, the bill would eliminate the current sunset—January 1, 2015—of the Los Angeles County Metropolitan Transportation Authority's (LACMTA) value-pricing and transit development demonstration program involving HOT lanes on State Highway Routes 10 and 110 in the County of Los Angeles, as well as allow LACMTA the authority over both the establishment and collection of toll fees. Provisions of the bill are consistent with SCAG's adopted 2014 State Legislative Priority to support legislation that provides dedicated, secure funding to state highways, streets, and roads to support maintenance and rehabilitation of the state and local road and transit system.*

## STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

## BACKGROUND:

Existing law authorizes a regional transportation agency, in cooperation with the Department of Transportation, to apply to the California Transportation Commission (CTC) to develop and operate HOT lanes, including administration and operation of a value-pricing program and exclusive or preferential lane facilities for public transit. In addition, existing law requires the CTC to conduct at least one public hearing in Northern California and one in Southern California for each application and limits the number of approved facilities to not more than four (4) total, two (2) in Northern California and two (2) in Southern California. Existing law also provides that no applications may be approved on or after January 1, 2012.

Existing law, until January 15, 2015, specifically authorizes a value-pricing and transit development demonstration program involving HOT lanes to be conducted, administered, developed, and operated on State Highway Routes 10 and 110 in the County of Los Angeles by LACMTA under certain conditions. Amongst those conditions:

- LACMTA may not change the vehicle occupancy requirement for access to the HOV lanes in the identified corridors during the demonstration period that is authorized under the law;

# REPORT

- As part of the demonstration program, each proposed HOT lane shall have non-tolled alternative lanes available for public use in the same corridor as the proposed HOT lanes;
- LACMTA and the Department of Transportation shall report to the Legislature by December 31, 2014. The report shall include, but not be limited to, a summary of the demonstration program, a survey of its users, the impact on carpoolers, revenues generated, how transit service or alternative modes of transportation were impacted, any potential effect on traffic congestion in the HOV lane and in the neighboring lanes, the number of toll-paying vehicles that utilized the HOT lanes, any potential reductions in the greenhouse gas emissions that are attributable to congestion reduction resulting from the HOT lane demonstration project, and a description of the mitigation measures on the affected communities and commuters in this demonstration program.

SB 1298 would remove the limitations on the number of HOT lanes that the CTC may approve and would delete the January 1, 2012 deadline for HOT lane applications. The bill would also delete the requirement for public hearings on each application.

As far as the parts of the bill that pertain to LACMTA, this bill would enact new provisions revising and recasting existing provisions and would repeal a number of existing provisions. The January 1, 2015 sunset of the value-pricing and transit development demonstration program involving HOT lanes to be conducted, administered, developed, and operated on State Highway Routes 10 and 110 in the County of Los Angeles by LACMTA would be eliminated. The bill would specify requirements for agreements between LACMTA, the Department of Transportation, and the Department of the California Highway Patrol that identify the respective obligations and liabilities of each party relating to the program. The bill would require LACMTA, with the assistance of the department, to establish appropriate traffic flow guidelines for the purpose of ensuring the optimal use of the HOT lanes by high-occupancy vehicles. The bill would also delete the requirement that LACMTA may not change the vehicle occupancy requirement for access to the high-occupancy vehicle lanes in the identified corridors and would authorize LACMTA to define the hours of operation of the HOT lanes. It would also eliminate the requirement that LACMTA and the Department of Transportation provide a report to the Legislature by December 31, 2014.

SB 1298 was introduced in the California State Senate on February 21, 2014 and was referred to the Senate Committee on Transportation & Housing on March 6, 2014. No hearing has been scheduled. SCAG staff will continue to keep the Committee apprised of changes and progress of this bill.

## **FISCAL IMPACT:**

None

## **ATTACHMENT<**

SB 1298

**SENATE BILL****No. 1298**

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**Introduced by Senator Hernandez**February 21, 2014

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An act to amend Section 149.7 of, and to repeal and add Section 149.9 of, the Streets and Highways Code, relating to transportation.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1298, as introduced, Hernandez. High-occupancy toll lanes.

(1) Existing law authorizes a regional transportation agency, in cooperation with the Department of Transportation, to apply to the California Transportation Commission to develop and operate high-occupancy toll (HOT) lanes, including administration and operation of a value-pricing program and exclusive or preferential lane facilities for public transit.

Existing law requires the commission to conduct at least one public hearing in northern California and one in southern California for each application and limits the number of approved facilities to not more than 4, 2 in northern California and 2 in southern California. Existing law provides that no applications may be approved on or after January 1, 2012.

This bill would remove the limitations on the number of HOT lanes that the commission may approve and would delete the January 1, 2012, deadline for HOT lane applications. The bill would also delete the requirement for public hearings on each application.

(2) Existing law, until January 15, 2015, specifically authorizes a value-pricing and transit development demonstration program involving HOT lanes to be conducted, administered, developed, and operated on State Highway Routes 10 and 110 in the County of Los Angeles by the Los Angeles County Metropolitan Transportation Authority (LACMTA) under certain conditions.

This bill would enact new provisions revising and recasting these provisions and would repeal the existing provisions. The bill would specify additional requirements for agreements between LACMTA, the Department of Transportation, and the Department of the California Highway Patrol that identify the respective obligations and liabilities of each party relating to the program. The bill would require LACMTA, with the assistance of the department, to establish appropriate traffic flow guidelines for the purpose of ensuring the optimal use of the HOT lanes by high-occupancy vehicles.

The bill would delete the requirement that LACMTA may not change the vehicle occupancy requirement for access to the high-occupancy vehicle lanes in the identified corridors and would authorize LACMTA to define the hours of operation of the HOT lanes.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 149.7 of the Streets and Highways Code  
2 is amended to read:  
3 149.7. (a) A regional transportation agency, as defined in  
4 Section 143, in cooperation with the department, may apply to the  
5 commission to develop and operate high-occupancy toll lanes,  
6 including the administration and operation of a value pricing  
7 program and exclusive or preferential lane facilities for public  
8 transit, consistent with the established standards, requirements,  
9 and limitations that apply to those facilities in Sections 149, 149.1,  
10 149.3, 149.4, 149.5, and 149.6.  
11 (b) The commission shall review each application for the  
12 development and operation of the facilities described in subdivision  
13 (a) according to eligibility criteria established by the commission.  
14 ~~For each eligible application, the commission shall conduct at least~~  
15 ~~one public hearing in northern California and one in southern~~  
16 ~~California.~~  
17 ~~(c) The number of facilities approved under this section shall~~  
18 ~~not exceed four, two in northern California and two in southern~~  
19 ~~California.~~  
20 ~~(d)~~  
21 (c) A regional transportation agency that develops or operates  
22 a facility, or facilities, described in subdivision (a) shall provide

any information or data requested by the commission or the Legislative Analyst. The commission, in cooperation with the Legislative Analyst, shall annually prepare a report on the progress of the development and operation of a facility authorized under this section. The commission may submit this report as a section in its annual report to the Legislature required pursuant to Section 14535 of the Government Code.

~~(e) No applications may be approved under this section on or after January 1, 2012.~~

SEC. 2. Section 149.9 of the Streets and Highways Code is repealed.

~~149.9. (a) Pursuant to Section 149.7 and the memorandum of understanding between the Los Angeles County Metropolitan Transportation Authority (LACMTA), the United States Department of Transportation, and the department, as adopted on July 24, 2008, and any subsequent, mutually agreed upon changes to that memorandum, the LACMTA may operate a value-pricing and transit development demonstration program involving high-occupancy toll (HOT) lanes to be conducted, administered, developed, and operated on State Highway Routes 10 and 110 in Los Angeles County by the LACMTA.~~

~~(b) The LACMTA shall implement the program in cooperation with the department, and the active participation of the Department of the California Highway Patrol, pursuant to a cooperative agreement that addresses all matters related to design, construction, maintenance, and operation of state highway system facilities in connection with the value-pricing and transit program. With the consent of the department, the board of the LACMTA shall establish appropriate performance measures, such as speed or travel times, for the purpose of ensuring optimal use of the HOT lanes without adversely affecting other traffic on the state highway system.~~

~~(c) The LACMTA and the department may implement the demonstration program under the following conditions:~~

~~(1) The value-pricing program may be operated on State Highway Routes 10 and 110 in Los Angeles County on designated high-occupancy vehicle (HOV) lanes.~~

~~(2) (A) Single-occupant vehicles, or those vehicles that do not meet minimum occupancy requirements, may be authorized to~~

~~enter and use the HOV lanes in the identified corridors, under conditions as determined by the LACMTA.~~

~~(B) The LACMTA may not change the vehicle occupancy requirement for access to the HOV lanes in the identified corridors during the demonstration period that is authorized under this section.~~

~~(3) As part of the demonstration program, each proposed HOT lane shall have nontolled alternative lanes available for public use in the same corridor as the proposed HOT lanes.~~

~~(4) The LACMTA shall implement a public outreach and communications plan in order to solicit public input into the development of the demonstration program.~~

~~(5) In implementing the program, the LACMTA shall identify the affected communities in the respective corridors and work with those communities to identify impacts and develop mitigation measures.~~

~~(6) The amount of the toll shall be established by the LACMTA, and collected and administered in a manner determined by the LACMTA. The LACMTA shall conduct a public hearing 30 days prior to setting or increasing the toll.~~

~~(7) The LACMTA shall assess the impacts of the program on commuters of low income and shall provide mitigation to those impacted commuters. Mitigation measures may include, but are not limited to, reduced toll charges and toll credits for transit users. Eligible commuters for reduced toll charges or toll credits for transit users shall meet the eligibility requirements for assistance programs under Chapter 2 (commencing with Section 11200) or Chapter 3 (commencing with Section 12000) of Part 3 of, Part 5 (commencing with Section 17000) of, or Chapter 10 (commencing with Section 18900), Chapter 10.1 (commencing with Section 18930), or Chapter 10.3 (commencing with Section 18937) of Part 6 of, Division 9 of the Welfare and Institutions Code.~~

~~(8) Toll paying commuters shall have the option to purchase any necessary toll paying equipment, prepay tolls, and renew toll payments by cash or by using a credit card.~~

~~(9) The LACMTA may operate the demonstration program until January 15, 2015, during which time it may not issue bonds for the demonstration program.~~

~~(10) The LACMTA and the department shall report to the Legislature by December 31, 2014. The report shall include, but~~

1 not be limited to, a summary of the demonstration program, a  
2 survey of its users, the impact on carpoolers, revenues generated,  
3 how transit service or alternative modes of transportation were  
4 impacted, any potential effect on traffic congestion in the HOV  
5 lane and in the neighboring lanes, the number of toll paying  
6 vehicles that utilized the HOT lanes, any potential reductions in  
7 the greenhouse gas emissions that are attributable to congestion  
8 reduction resulting from the HOT lane demonstration project, and  
9 a description of the mitigation measures on the affected  
10 communities and commuters in this demonstration program. The  
11 report shall be submitted in compliance with Section 9795 of the  
12 Government Code. This paragraph shall be inoperative on  
13 December 31, 2018, pursuant to Section 10231.5 of the  
14 Government Code.

15 (11) Pursuant to Section 149.7, the revenue generated from the  
16 program may be available to the LACMTA for the direct expenses  
17 related to the maintenance, administration, and operation, including  
18 collection and enforcement, of the demonstration program.  
19 Administrative expenses shall not exceed 3 percent of the revenues.

20 (12) All remaining revenue generated by the demonstration  
21 program shall be used in the corridor from which the revenue was  
22 generated exclusively for preconstruction, construction, and other  
23 related costs of high-occupancy vehicle facilities and the  
24 improvement of transit service in the corridor, including, but not  
25 limited to, support for transit operations pursuant to an expenditure  
26 plan adopted by the LACMTA.

27 (13) This section shall not prevent the department or any local  
28 agency from constructing facilities that compete with the HOT  
29 lane demonstration project, and the LACMTA shall not be entitled  
30 to compensation for adverse effects on toll revenue due to those  
31 facilities.

32 SEC. 3. Section 149.9 is added to the Streets and Highways  
33 Code, to read:

34 149.9. (a) Notwithstanding Sections 149 and 30800 of this  
35 code, and Section 21655.5 of the Vehicle Code, the Los Angeles  
36 County Metropolitan Transportation Authority (LACMTA), may  
37 conduct, administer, and operate a value-pricing and transit  
38 development demonstration program involving high-occupancy  
39 toll (HOT) lanes on State Highway Routes 10 and 110 in the  
40 County of Los Angeles. LACMTA may direct and authorize the

1 entry and use of the State Highway Route 10 and 110  
2 high-occupancy vehicle lanes by single-occupant vehicles during  
3 peak periods, as defined by LACMTA, for a fee. The amount of  
4 the fee shall be established by, and collected in a manner to be  
5 determined by, LACMTA.

6 (b) The LACMTA shall implement the program in cooperation  
7 with the department, and with the active participation of the  
8 Department of the California Highway Patrol, pursuant to an  
9 agreement that addresses all matters related to design, construction,  
10 maintenance, and operation of state highway system facilities in  
11 connection with the program. With the assistance of the  
12 department, LACMTA shall establish appropriate performance  
13 measures, such as speed or travel times, for the purpose of ensuring  
14 optimal use of the HOT lanes by high-occupancy vehicles without  
15 adversely affecting other traffic on the state highway system.

16 (1) Agreements between LACMTA, the department, and the  
17 Department of the California Highway Patrol shall identify the  
18 respective obligations and liabilities of each party to the agreement  
19 and assign them responsibilities relating to the program. The  
20 agreements entered into pursuant to this section shall include clear  
21 and concise procedures for enforcement by the Department of the  
22 California Highway Patrol of laws prohibiting the unauthorized  
23 use of the HOT lanes. The agreements shall provide for  
24 reimbursement of state agencies, from revenues generated by the  
25 program, federal funds specifically allocated to LACMTA for the  
26 program by the federal government, or other funding sources that  
27 are not otherwise available to state agencies for  
28 transportation-related projects, for costs incurred in connection  
29 with the implementation or operation of the program.  
30 Reimbursement for LACMTA's program-related planning and  
31 administrative costs in the operation of the program shall not  
32 exceed 3 percent of the revenues.

33 (2) All remaining revenue generated by the program shall be  
34 used in the corridor from which the revenue was generated  
35 exclusively for preconstruction, construction, and other related  
36 costs of high-occupancy vehicle facilities and the improvement of  
37 transit service in the corridor, including, but not limited to, support  
38 for transit operations pursuant to an expenditure plan adopted by  
39 the LACMTA.

1 (c) Single-occupant vehicles that are certified or authorized by  
2 LACMTA for entry into, and use of, the State Highway Routes  
3 10 and 110 high-occupancy vehicle lanes are exempt from Section  
4 21655.5 of the Vehicle Code, and the driver shall not be in violation  
5 of the Vehicle Code because of that entry and use.

6 (d) In implementing the program, the LACMTA shall identify  
7 the affected communities in the respective corridors and work with  
8 those communities to identify impacts and develop mitigation  
9 measures. The LACMTA shall assess the impacts of the program  
10 on commuters of low income and shall provide mitigation to those  
11 impacted commuters. Mitigation measures may include, but are  
12 not limited to, reduced toll charges and toll credits for transit users.  
13 Eligible commuters for reduced toll charges or toll credits for  
14 transit users shall meet the eligibility requirements for assistance  
15 programs under Chapter 2 (commencing with Section 11200) or  
16 Chapter 3 (commencing with Section 12000) of Part 3 of, Part 5  
17 (commencing with Section 17000) of, or Chapter 10 (commencing  
18 with Section 18900), Chapter 10.1 (commencing with Section  
19 18930), or Chapter 10.3 (commencing with Section 18937) of Part  
20 6 of, Division 9 of the Welfare and Institutions Code.

21 (e) Toll paying commuters shall have the option to purchase  
22 any necessary toll paying equipment, prepay tolls, and renew toll  
23 payments by cash or by using a credit card.

24 (f) This section shall not prevent the department or any local  
25 agency from constructing facilities that compete with a HOT lane  
26 demonstration project, and the LACMTA shall not be entitled to  
27 compensation for adverse effects on toll revenue due to those  
28 facilities.

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# REPORT

**DATE:** March 18, 2014

**TO:** Legislative/Communications & Membership Committee (LCMC) *Din lin*

**FROM:** Darin Chidsey; Director, Strategy, Policy & Public Affairs; (213) 236-1836;  
[chidsey@scag.ca.gov](mailto:chidsey@scag.ca.gov)

**SUBJECT:** SB 1122 - (Pavley): Sustainable Communities: Strategic Growth Council – SUPPORT

## RECOMMENDATION:

Support

## EXECUTIVE SUMMARY:

*SB 1122 requires the Strategic Growth Council (SCG) to provide financial assistance to develop and implement regional grant programs to support the implementation of sustainable communities' strategies (SCS), alternative transportation plans (ATP), or other regional greenhouse gas reduction plans within a developed area, to be funded from moneys deposited into the Greenhouse Gas Reduction Fund from the auction revenues derived from the cap-and-trade program, upon appropriation by the Legislature. Eligible recipients of grant funding include councils of government, metropolitan planning organizations, regional transportation planning agencies, cities, counties, and joint powers authorities.*

## STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 2: Obtain Regional Transportation Infrastructure Funding and Promote Legislative Solutions for Regional Planning Priorities; Objective b) Identify and support legislative initiatives.

## BACKGROUND:

The Strategic Growth Council (SGC) was established in 2008 to help various agencies co-operate in developing sustainable communities for the future urban growth in California that would also achieve the state's greenhouse gas reduction goals established in AB 32. The SGC's main purpose is to help coordinate the various land use, transportation, and housing strategies that will achieve the greenhouse reduction target for those sectors established in SB 375 and approved by the Air Resources Board. To that end, the SGC was allocated \$90 million from Prop 84 to award grants that support the planning objectives of SB 375 as well as specified projects. Those funds have been completely appropriated to the SGC, which will finish the awarding of those funds in its next cycle of grants.

On January 10, 2014, Governor Brown released his proposed 2014-15 state budget which included a \$100 million allocation of local assistance funding to support regions in the implementation of sustainable communities' strategies, with the SGC coordinating the effort and programmatic work to be performed by multiple agencies. Under the Governor's proposed budget, selected projects will prioritize disadvantaged communities and reduce GHG emissions by increasing transit ridership, active transportation, affordable housing near transit stations, preservation of agricultural land, and local planning that promotes infill development and reduces the number of vehicle miles travelled.

To continue the work of the SGC and to help achieve the transportation, land use, and housing objectives of SB 375, this bill proposes that the SGC be authorized to make grants with funds appropriated to it from auction revenues derived from the cap-and-trade program of AB 32. SB 1122 would authorize the SGC to award grants that continue the work of achieving greenhouse gas reductions across the transportation, land use, and housing sectors. Specifically, it would require the SGC to develop and implement regional grant programs to support the implementation of sustainable communities' strategies (SCS), alternative transportation plans (ATP), or other regional greenhouse gas reduction plans within a developed area. The bill also authorizes the SGC to award financial assistance to develop and implement agricultural, natural resource, and open space land protection plans consistent with SCS, ATP, or other regional greenhouse gas emission reduction plans. The bill specifically names councils of government, metropolitan planning organizations, regional transportation planning agencies, cities, counties, or joint powers authorities as eligible to receive grants.

The bill specifies that the SGC may adopt criteria and requirements for the development and implementation of regional grant programs that include all of the following:

- Require that project be selected within each region by the regional granting authority through a competitive public process based on reduction in the emissions of greenhouse gases;
- Establish the methods for evaluating, monitoring, and verifying project effectiveness, including those related to travel demand reduction, system efficiency, safety improvements, demographic characteristics, and integrated land use and transportation strategies;
- Provide for the development and implementation of projects that integrate infrastructure investment with land use or local code changes to achieve the maximum reduction in the emissions of greenhouse gases;
- Provide for public participation in the review of proposed projects;
- Provide for consultation and coordination with air pollution control districts and air quality management districts.

Bill provisions also direct that the SGC shall:

- In consultation with the State Air Resources Board and the metropolitan planning organizations, shall establish standards for integrated modeling systems and measurement methods to ensure consistency in evaluating the potential effectiveness of projects and verifying the actual benefits of projects after completion;
- Review the implementation requirements of the bill on an annual basis and may revise the criteria and requirements for project selection, evaluation, monitoring, and verification developed pursuant to bill provisions, as needed, to improve program performance;
- Moneys that are allocated for the regional grant programs pursuant to the criteria and requirements of the bill shall be allocated to the regional granting authority in each region on a per capita basis.

## Recommendation

Staff recommends that SCAG support the Regional Grant Program proposal per SB 1122. The bill provides a process for regional selection and implementation of projects funded under the proposed grant program. Regional and local agencies like the metropolitan planning organizations (MPOs) and the county transportation commissions have the unique capacity to concurrently plan for and administer

these types of multiple community projects, which would accelerate GHG emissions reductions and co-benefits. While MPOs have the statutory responsibility to achieve the California Air Resources Board approved GHG emission reduction targets, implementing agencies such as the county transportation commissions have the requisite expertise and experience to develop projects that will help to provide the greatest GHG emissions reductions. Thus, future funding for the Regional Grant Program from cap-and-trade will be well-utilized to support both local planning for and implementation of the RTP/SCS for effective GHG reductions. The Strategic Growth Council has been, through its prior funding opportunities, a financial supporter of similar SCAG efforts, and we anticipate additional support from the SGC through the current/final round of funding. The continued partnership of the SGC with regional and local agencies, as well as local cities, counties, and councils of government, in distributing cap-and-trade funding would substantially augment the existing mechanism for advancing projects that implement an RTP/SCS, reduce GHG emissions, and create jobs.

Consistent with board adopted policy to support legislation providing funding for projects and programs implementing an SCS, staff encourages the LCMC to forward a recommendation to the Regional Council to adopt a support position of SB 1122.

**ATTACHMENT:**  
SB 1122

**SENATE BILL****No. 1122**

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**Introduced by Senator Pavley**February 19, 2014

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An act to add Division 44 (commencing with Section 75200) to the Public Resources Code, relating to sustainable communities.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1122, as introduced, Pavley. Sustainable communities: Strategic Growth Council.

The California Global Warming Solutions Act of 2006, designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Existing law authorizes moneys from the fund to be allocated for the purpose of reducing greenhouse gas emissions in this state through specified investments, including funding to reduce greenhouse gas emissions through strategic planning and development of sustainable infrastructure projects.

Existing law requires certain transportation planning activities by designated regional transportation planning agencies, including development of a regional transportation plan. Certain of these agencies are designated under federal law as metropolitan planning organizations.

Existing law requires metropolitan planning organizations to adopt a sustainable communities strategy, subject to specified requirements, as part of a regional transportation plan, which is to be designed to achieve certain targets established by the State Air Resources Board for the reduction of greenhouse gas emissions from automobiles and light trucks in the region.

Existing law establishes the Strategic Growth Council and requires the council to, among other things, manage and award grants and loans to support the development, adoption, or implementation of a regional plan or other planning instrument consistent with a regional plan that achieve specified objectives, including meeting the goals of the California Global Warming Solutions Act of 2006. Existing law specifies that the financial assistance provided shall be funded by the bond proceeds from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

This bill would additionally require the council to provide financial assistance for those purposes, to be funded from moneys from the Greenhouse Gas Reduction Fund, upon appropriation by the Legislature, and would additionally require the regional plan or other planning instrument to meet the requirements of an applicable sustainable communities strategy. The bill would require the council to develop and implement regional grant programs to support the implementation of sustainable communities strategies, alternative transportation plans, or other regional greenhouse gas emission reduction plans within a developed area. The bill also would authorize the council to award financial assistance for the development and implementation of agricultural, natural resource, and open space land protection plans that are consistent with the implementation of sustainable communities strategies, alternative transportation plans, or other regional greenhouse gas emission reduction plans.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Division 44 (commencing with Section 75200)
- 2 is added to the Public Resources Code, to read:

DIVISION 44. SUSTAINABLE COMMUNITIES  
IMPLEMENTATION

CHAPTER 1. GENERAL PROVISION

75200. For the purposes of this division, “council” means the Strategic Growth Council established pursuant to Section 75121.

CHAPTER 2. SUSTAINABLE COMMUNITIES

75210. (a) To support the planning and development of sustainable communities, the council shall manage and award financial assistance to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority, to develop, adopt, or implement a regional plan or other planning instrument consistent with a regional plan that improves air and water quality, improves natural resource protection, increases the availability of affordable housing, improves transportation, meets the goals of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code), encourages sustainable land use, and meets the requirements of Section 65080 of the Government Code. Moneys from the Greenhouse Gas Reduction Fund established pursuant to Section 16428.8 of the Government Code shall, upon appropriation by the Legislature, be expended by the council for providing financial assistance provided pursuant to this section.

(b) To support the implementation of sustainable communities strategies, alternative transportation plans, or other regional greenhouse gas emission reduction plans within a developed area, the council may adopt criteria and requirements for the development and implementation of regional grant programs that include all of the following:

(1) Require that project be selected within each region by the regional granting authority through a competitive public process based on reduction in the emissions of greenhouse gases.

(2) Establish the methods for evaluating, monitoring, and verifying project effectiveness, including those related to travel demand reduction, system efficiency, safety improvements,

1 demographic characteristics, and integrated land use and  
2 transportation strategies.

3 (3) Provide for the development and implementation of projects  
4 that integrate infrastructure investment with land use or local code  
5 changes to achieve the maximum reduction in the emissions of  
6 greenhouse gases.

7 (4) Provide for public participation in the review of proposed  
8 projects.

9 (5) Provide for consultation and coordination with air pollution  
10 control districts and air quality management districts.

11 (c) The council, in consultation with the State Air Resources  
12 Board and the metropolitan planning organizations, shall establish  
13 standards for integrated modeling systems and measurement  
14 methods to ensure consistency in evaluating the potential  
15 effectiveness of projects and verifying the actual benefits of  
16 projects after completion.

17 (d) The council shall review the implementation of this section  
18 on an annual basis and may revise the criteria and requirements  
19 for project selection, evaluation, monitoring, and verification  
20 developed pursuant to paragraphs (1) and (2) of subdivision (b),  
21 as needed, to improve program performance.

22 (e) Moneys that are allocated for the regional grant programs  
23 pursuant to the criteria and requirements adopted pursuant to  
24 subdivision (b) shall be allocated to the regional granting authority  
25 in each region on a per capita basis.

26 75211. The council may award financial assistance to a city,  
27 county, city and county, or regional agency for the development  
28 and implementation of agricultural, natural resources, and open  
29 space land protection that reduce the emissions of greenhouse  
30 gases and that are consistent with and support the implementation  
31 of sustainable communities strategies, alternative planning  
32 strategies, or other regional greenhouse gas emissions reduction  
33 plans.

O

**SCAG California Legislative Matrix**

March 2014

**CAP & TRADE****Greenhouse Gas Reduction Fund****Status:** Passed to SENATE**AB 26****Bill Summary**

Requires projects paid for in whole or in part from the Greenhouse Gas Reduction Fund to be considered public works. Authorizes fund moneys to be made available for refinery work if that work is related to reducing greenhouse gases that falls within an apprenticeable occupation that will be performed by journeypersons and apprentices. Requires an apprentice safety training curriculum. Requires the issuance of a certificate to a worker who completes the curriculum. Relates to paying training wages.

**Recent Activity**

From Appropriations: To Suspense File on 05/15/2013. From Appropriations: Do pass (12-5) on 05/24/2013. From Assembly: Passed (51-25) to Senate on 05/30/2013. To Senate Committees on Environmental Quality and Labor & Industrial Relations on 06/13/2013. From Environmental Quality: Do pass (7-2) to Labor & Industrial Relations on 06/19/2013. From Labor & Industrial Relations: Not heard in committee on 06/26/2013. From Labor & Industrial Relations: Not heard in committee on 07/10/2013.

**Author**  
Bonilla

**Party**  
D

**Location**  
Senate: LIR

**Next Hearing**

**Positions**

**PROPOSITION 39 IMPLEMENTATION****Proposition 39: Implementation: Workforce Development****Status:** Pending**AB 114****Bill Summary**

Amends existing law that appropriates funds to the State Workforce Development Board to develop and implement a competitive grant program for eligible community-based and other training workforce organizations prepared disadvantaged youth or veterans for employment. Requires the Board to require a grant recipient to report to the Board specified information, and to review and assess the program in achieving the training and workforce development goals, identify problems and barriers, and provide solutions.

**Recent Activity**

From Appropriations: To Suspense File on 05/15/2013. From Appropriations: Do pass (16-0) on 05/24/2013. From Assembly: Passed (75-2) to Senate on 05/28/2013. To Senate Committees on Labor & Industrial Relations and Energy, Utilities & Communications on 06/06/2013. From Labor & Industrial Relations: Do pass (4-0) to Energy, Utilities & Communications on 06/12/2013. From Energy, Utilities & Communications: Do pass (9-2) to Appropriations. Amended, re-referred to Appropriations on 07/09/2013. From Appropriations: To Second Reading without further hearing on 08/19/2013. From Senate: To Inactive File on 09/12/2013.

**Author**  
Salas

**Party**  
D

**Location**  
Senate

**Next Hearing**  
Third Reading File

**Positions**  
League: Watch

**ENVIRONMENT****Environment: Salton Sea: Dust Mitigation****Status:** Passed to SENATE**AB 147****Bill Summary**

Requires the State Air Resources Board to evaluate and determine with the air quality planning completed by a joint powers authority is sufficient to mitigate the air quality impacts of the Quantification Settlement Agreement. Requires the state board, if it concludes that additional mitigation measures are needed, to submit recommendations to the authority.

**Recent Activity**

From Appropriations: To Suspense File on 05/15/2013. From Appropriations: Do pass (17-0) on 05/24/2013. From Assembly: Passed (77-0) to Senate on 05/29/2013. To Senate Committees on Natural Resources & Water and Environmental Quality on 06/13/2013. From Natural Resources & Water: Hearing canceled at the request of the author on 06/18/2013.

**Author**  
Perez, V. M.

**Party**  
D

**Location**  
Senate: NRW, EQ

**Next Hearing**

**Positions**

**ENVIRONMENT****Salton Sea Restoration****Status:** Passed to SENATE**AB 148****Bill Summary**

Amends existing law requires the Secretary of the Natural Resources Agency, in consultation and coordination with the Salton Sea Authority, to lead Salton Sea restoration efforts. Eliminates the requirement that the secretary and the Legislature have final approval for any proposed restoration plan. Authorizes the authority to undertake a feasibility study; Prohibits a study or other activity from delaying the planning and implementation of ongoing and planned restoration projects.

**Recent Activity**

From Water, Parks & Wildlife: Do pass (15-0) to Appropriations on 01/14/2014. From Appropriations: Do pass (16-0) to Consent Calendar on 01/23/2014. From Assembly: Passed (78-0) to Senate on 01/29/2014. To Senate Committee on Natural Resources & Water on 02/06/2014.

**Author**  
Perez, V.M.

**Party**  
D

**Location**  
Senate: NRW

**Next Hearing**

**Positions**

# SCAG California Legislative Matrix

March 2014

## INFRASTRUCTURE FINANCING

### AB 229

**Author**  
Perez, J.

**Location**  
Assembly

**Next Hearing**  
Inactive File

**Positions**

**Party**  
D

## Infrastructure and Revitalization Financing Districts

### Bill Summary

Authorizes the creation by a city, county, city and county, and joint powers authority, of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district and the issuance of debt. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.

**Status:** Passed Both Houses

### Recent Activity

Introduced on 02/04/2013. To Assembly Committee on Local Government on 02/15/2013. Author's amendments, re-referred to Local Government on 04/08/2013. From Local Government: Do pass (8-1) to Appropriations on 04/17/2013. From Appropriations: Do pass (16-1) on 05/01/2013. From Assembly: Passed (71-3) to Senate on 05/09/2013. To Senate Committee on Governance & Finance on 05/23/2013. From Governance & Finance: Do pass (6-1) to Appropriations on 06/05/2013. Amended, re-referred to Appropriations on 06/11/2013. From Appropriations: To Second Reading without further hearing on 06/24/2013. From Senate: Passed (30-6), to Assembly for concurrence on 08/22/2013. From Assembly: To Inactive File on 09/11/2013.

## INFRASTRUCTURE FINANCING

### AB 243

**Author**  
Dickinson

**Location**  
Assembly

**Next Hearing**  
Inactive File

**Positions**

**Party**  
D

## Local Government: Infrastructure Financing Districts

### Bill Summary

Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases if special conditions are met. Authorizes a district to fund various projects, including watershed land used for the collection and treatment of water for urban uses, flood management, open space, habitat restoration and development purposes.

**Status:** Passed Both Houses

### Recent Activity

From Appropriations: Do pass (12-5) on 05/01/2013. From Assembly: Passed (44-29) to Senate on 05/09/2013. To Senate Committee on Governance & Finance on 05/23/2013. Author's amendments, re-referred to Governance & Finance on 06/05/2013. From Governance & Finance: Do pass (4-2) to Appropriations on 06/12/2013. From Appropriations: To Second Reading without further hearing on 07/01/2013. Amended on 08/19/2013. From Senate: Passed (22-13), to Assembly for concurrence. From Assembly: To Inactive File on 09/11/2013.

## ECONOMIC DEVELOPMENT

### AB 337

**Author**  
Allen

**Location**  
Senate: BPED

**Next Hearing**

**Positions**

**Party**  
R

## Economic Development: International Trade: Investments

### Bill Summary

Relates to economic development, international trade, investments and strategies for trade and investments. Requires a strategy to be based on current and emerging market conditions and the needs of investors, businesses, and workers to be competitive in global markets.

**Status:** Passed to SENATE

### Recent Activity

From Jobs, Economic Development & The Economy: Do pass (8-0) to Appropriations on 01/07/2014. From Appropriations: Do pass (16-0) on 01/23/2014. From Assembly: Passed (76-1) to Senate on 01/27/2014. To Senate Committee on Business, Professions & Economic Development on 02/06/2014.

## ENVIRONMENT

### AB 380

**Author**  
Dickinson

**Location**  
Senate: EQ

**Next Hearing**

**Positions**

**Party**  
D

## California Environmental Quality Act: Notice

### Bill Summary

Amends the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by the clerk for public review. Provides notice requirements for projects that are determined to be exempted from the Act.

**Status:** Passed to SENATE

### Recent Activity

From Appropriations: To Suspense File on 05/15/2013. From Appropriations: Do pass (12-5) on 05/24/2013. From Assembly: Passed (53-23) to Senate on 05/29/2013. To Senate Committee on Environmental Quality on 06/13/2013.

# SCAG California Legislative Matrix

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## PLANNING

## Sustainable Communities

**Status:** Passed to SENATE

**AB 453**

**Author**  
Mullin  
**Location**  
Senate: A  
**Next Hearing**  
Held In Committee  
**Positions**

**Party**  
D

### Bill Summary

Amends existing law relating to the award of grants and loans to a council of governments, metropolitan planning organizations, regional transportation planning agencies, and city, county, or joint powers authorities to implement a plan to support sustainable communities development. Makes a local agency formation commission eligible for financial assistance. Requires a certain regional transportation plan to include the effect development may have on meeting greenhouse gas emissions reduction targets.

### Recent Activity

From Appropriations: To Suspense File on 04/17/2013. From Appropriations: Do pass (16-0) on 05/24/2013. From Assembly: Passed (65-11) to Senate on 05/30/2013. To Senate Committee on Natural Resources & Water on 06/13/2013. From Natural Resources & Water: Do pass (9-0) to Appropriations on 06/25/2013. Amended, re-referred to Appropriations on 07/03/2013. From Appropriations: To Suspense File on 08/12/2013. From Appropriations: Held in Committee on 08/30/2013.

## REDEVELOPMENT

## Redevelopment: Successor Agencies

**Status:** CHAPTERED

**AB 471**

**Author**  
Atkins  
**Location**  
Chaptered  
**Next Hearing**  
  
**Positions**

**Party**  
D

### Bill Summary

Authorizes a infrastructure financing district to finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area. Authorizes a successor redevelopment agency to schedule Recognized Obligation Payment Schedule payments beyond the payment cycle upon a showing that a lender requires cash on hand beyond that cycle. Authorizes the use of estimates and projects to support payments. Relates to housing administrative costs funding.

### Recent Activity

From Assembly: Passed (75-0) to Senate on 05/09/2013. From Senate: Passed (35-0), to Assembly for concurrence on 02/06/2014. Assembly concurred in Senate amendments, to Enrollment on 02/10/2014. Enrolled, to Governor on 02/12/2014. Signed by Governor, Chaptered by Secretary of State on 02/18/2014.

## ENVIRONMENT: JUDICIAL REVIEW

## State Environmental Quality Act: Writ of Mandate

**Status:** Passed to SENATE

**AB 515**

**Author**  
Dickinson  
**Location**  
Senate: EQ, J  
**Next Hearing**  
  
**Positions**

**Party**  
D

### Bill Summary

Amends the State Environmental Quality Act that requires a court, if the court finds that a public agency has violated the requirements of the Act, to issue an order, in the form of a peremptory writ of mandate, specifying what actions by the public agency are necessary to comply with the requirements of the Act. Requires the writ to specify the time by which the public agency is to make an initial return of the writ containing specified information.

### Recent Activity

From Judiciary: Do pass (9-0) to Appropriations on 01/14/2014. From Appropriations: Do pass (15-0) on 01/23/2014. From Assembly: Passed (64-4) to Senate on 01/27/2014. To Senate Committees on Environmental Quality and Judiciary on 02/06/2014.

## PLANNING

## Land Use: Development Project Review: Superstores

**Status:** Passed to SENATE

**AB 667**

**Author**  
Hernandez, R.  
**Location**  
Senate: G&F  
**Next Hearing**  
  
**Positions**  
CA League: Oppose

**Party**  
D

### Bill Summary

Requires a city, county, or city and county, including a charter city, prior to approval or disapproval of a proposed development project to permit the construction of a superstore retailer, or where a superstore would be the recipient of a specified amount of financial assistance to cause an economic impact report to be prepared, to be paid for by the project applicant, to assess the effect such superstore will have on economic assistance areas, retail operations and employment in the same market area.

### Recent Activity

From Appropriations: Do pass (11-5) on 05/24/2013. From Assembly: Passed (41-31) to Senate on 05/28/2013. To Senate Committee on Governance & Finance on 06/06/2013. From Governance & Finance: Failed passage (3-2), reconsideration granted on 06/26/2013. From Governance & Finance: Not heard in Committee on 07/03/2013.

# SCAG California Legislative Matrix

March 2014

## INTERNATIONAL RELATIONS

**AB 690**

**Author**  
Campos  
**Location**  
Senate: BPED, A  
**Next Hearing**

**Party**  
D

## State Government: International Relations

### Bill Summary

Existing law requires the California-Mexico Border Relations Council to, among other things, coordinate activities of state agencies that are related to cross-border programs, initiatives, projects, and partnerships that exist within state government. Existing law also authorizes the Office of California-Mexico Affairs to develop better relations with Mexico by coordinating with state agencies to foster economic cooperation. This bill would repeal, and recast those provisions relating to the California-Mexico Border Relations Council. This bill would repeal and recast those provisions relating to the Office of California-Mexico Affairs.

**Status:** Passed to SENATE

### Recent Activity

From Jobs, Economic Development & the Economy: Do pass (9-0) on 01/15/2014. From Assembly: Passed (78-0) to Senate on 01/29/2014. To Senate Committees on Business, Professions & Economic Development and Appropriations on 02/06/2014.

### Positions

CA League: Watch

## PLANNING

**AB 716**

**Author**  
Quirk-Silva  
**Location**  
Senate: A  
**Next Hearing**  
Held in Committee

**Party**  
D

## Infrastructure: State Planning and Funding

### Bill Summary

Amends the Infrastructure Planning Act. Requires the plan to set out priorities for coordination of investment and to include an analysis of investment coordination opportunities for capital outlay related to infill and transit-oriented development. Expands the definition of infrastructure to include housing. Requires the Governor to submit the plan with the assistance of the Strategic Growth Council. Requires specified planning.

**Status:** Passed to SENATE

### Recent Activity

Introduced on 02/21/2013. To Assembly Committees on Housing & Community Development and Budget on 03/04/2013. Author's amendments, re-referred to Housing & Community Development on 04/02/2013. From Housing & Community Development: Do pass (5-2) to Budget on 04/17/2013. From Budget: Not heard on 05/02/2013. From Budget: Do pass (16-9) on 05/09/2013. From Assembly: Passed (51-20) to Senate on 05/16/2013. To Senate Committees on Governmental Organization and Natural Resources & Water on 05/30/2013. From Governmental Organization: Do pass (7-4) to Natural Resources & Water on 06/11/2013. Author's amendments, re-referred to Natural Resources & Water on 06/18/2013. From Natural Resources & Water: Do pass (7-2) to Appropriations on 06/25/2013. From Appropriations: To Suspense File on 08/12/2013. From Appropriations: Held in Committee on 08/30/2013.

### Positions

## ECONOMIC DEVELOPMENT

**AB 1080**

**Author**  
Alejo  
**Location**  
Senate: A  
**Next Hearing**  
Held in Committee

**Party**  
D

## Community Revitalization & Investment Authorities

### Bill Summary

Authorizes certain public entities of a community revitalization and investment area to form a community revitalization plan within a community revitalization and investment authority to carry out the Community Redevelopment Law in a specified manner. Requires the authority to adopt a community revitalization plan for a community revitalization and investment area and authorizes the authority to include in that plan a provision for the receipt of tax increment funds.

**Status:** Passed to SENATE

### Recent Activity

From Appropriations: Do pass (12-5) on 05/15/2013. From Assembly: Passed (54-16) to Senate on 05/24/2013. To Senate Committees on Governance & Finance and Transportation & Housing on 06/06/2013. From Governance & Finance: Do pass (4-1) to Transportation & Housing on 06/19/2013. Author's amendments, re-referred to Transportation & Housing on 07/02/2013. From Transportation & Housing: Do pass (8-2) to Appropriations on 07/09/2013. Amended, re-referred to Appropriations on 08/12/2013. Author's amendments, re-referred to Appropriations on 08/20/2013. From Appropriations: To Suspense File on 08/26/2013. From Appropriations: Held in Committee on 08/30/2013.

### Positions

SCAG: Support  
CA League: Support  
CSAC: Watch

Assembly Committees: Accountability & Administrative Review (AAR) | Appropriations (A) | Arts, Entertainment, Sports, Tourism | Internet Media | Budget (B) | Housing & Community Development (HCD) | Jobs, Economic Development & The Economy (JEDE) | Local Government (LG) | Natural Resources (NR) | Revenue & Taxation (R&T) | Rules | Transportation (T) | Utilities & Commerce (U&C) | Water, Parks & Wildlife (WPW) | Senate Committees: Appropriations (A) | Business, Professions & Economic Development (BPED) | Education (EDU) | Elections & Constitutional Amendments (ECA) | Energy, Utilities & Communications (EUC) | Environmental Quality (EQ) | Governance & Finance (G&F) | Governmental Organization (GO) | Judiciary (J) | Labor & Industrial Relations (LIR) | Natural Resources & Water (NRW) | Rules (R) | Transportation & Housing (T&H)

# SCAG California Legislative Matrix

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<p><b>ECONOMIC DEVELOPMENT</b></p> <p><b>AB 1081</b></p> <p><b>Author</b> Medina</p> <p><b>Location</b> Senate: A</p> <p><b>Next Hearing</b> Held in Committee</p> <p><b>Positions</b></p>	<p><b>Economic Development: Goods-Movement Infrastructure</b></p> <p><b>Bill Summary</b> Amends existing law that requires the Governor to submit to the Legislature a proposed infrastructure plan containing certain information concerning infrastructure needed by specified entities and a proposal for funding the needed infrastructure. Requires the plan to include additional information related to infrastructure identified by state and federal transportation authorities, recommendations for private sector financing, and strategies to address state goods movement needs.</p>	<p><b>Status:</b> Passed to SENATE</p> <p><b>Recent Activity</b> From Appropriations: To Suspense File on 05/15/2013. From Appropriations: Do pass (17-0) on 05/24/2013. From Assembly: Passed (78-0) to Senate on 05/30/2013. To Senate Committee on Transportation &amp; Housing on 06/13/2013. From Transportation &amp; Housing: Do pass (11-0) to Appropriations on 07/02/2013. Amended, re-referred to Appropriations on 07/09/2013. Author's amendments, re-referred to Appropriations on 08/12/2013. From Appropriations: To Suspense File on 08/12/2013. From Appropriations: Held in Committee on 08/30/2013.</p>
<p><b>AIR QUALITY</b></p> <p><b>AB 1102</b></p> <p><b>Author</b> Allen</p> <p><b>Location</b> Senate: EQ, NRW</p> <p><b>Next Hearing</b></p> <p><b>Positions</b></p>	<p><b>Beach Burning: Permit: South Coast Air Quality District</b></p> <p><b>Bill Summary</b> Makes inoperative an open burning rule that restricts the use or location of a beach fire ring adopted by the South Coast Air Quality Management District until a public agency with jurisdiction over the area obtains and implements an approved coastal development permit. Subjects the removing or restricting of such ring to the State Coastal Act. Requires the application for a permit to include specified information.</p>	<p><b>Status:</b> Passed to SENATE</p> <p><b>Recent Activity</b> From Natural Resources: Do pass (7-0) to Appropriations on 01/13/2014. From Appropriations: Do pass (16-0) on 01/23/2014. From Assembly: Passed (68-0) to Senate on 01/27/2014. To Senate Committees on Environmental Quality and Natural Resources &amp; Water on 02/07/2014.</p>
<p><b>GOVERNMENT</b></p> <p><b>AB 1179</b></p> <p><b>Author</b> Bocanegra</p> <p><b>Location</b> Senate: NRW</p> <p><b>Next Hearing</b></p> <p><b>Positions</b></p>	<p><b>Strategic Growth Council</b></p> <p><b>Bill Summary</b> Amends existing law that creates the Strategic Growth Council with specified duties relating to the coordination of actions of State agencies relative to improvement of air and water quality, natural resource protection, transportation, and various other matters. Adds the Superintendent of Public Instruction or his or her designee to the Council.</p>	<p><b>Status:</b> Passed to SENATE</p> <p><b>Recent Activity</b> From Local Government: Do pass (7-2) to Appropriations on 01/15/2014. From Appropriations: Do pass (12-4) on 01/23/2014. From Assembly: Passed (58-18) to Senate on 01/27/2014. To Senate Committee on Natural Resources &amp; Water on 02/06/2014.</p>
<p><b>TRANSPORTATION</b></p> <p><b>AB 1194</b></p> <p><b>Author</b> Ammiano</p> <p><b>Location</b> Senate: T&amp;H</p> <p><b>Next Hearing</b></p> <p><b>Positions</b></p>	<p><b>Safe Routes to School Program</b></p> <p><b>Bill Summary</b> Requires a specified percent of Safe Routes to School Program to be used for noninfrastructure activities to encourage walking and bicycling to school. Authorizes the transfer of the responsibility for selecting projects and awarding grants from the Department of Transportation to the State Transportation Commission.</p>	<p><b>Status:</b> Passed to SENATE</p> <p><b>Recent Activity</b> From Appropriations: To Suspense File on 05/01/2013. From Appropriations: Do pass (13-0) on 05/24/2013. From Assembly: Passed (76-2) to Senate on 05/30/2013. To Senate Committee on Transportation &amp; Housing on 06/13/2013.</p>

# SCAG California Legislative Matrix

March 2014

WATER BOND		Climate Change Response for Clean and Safe Water		Status: Pending	
AB 1331		Bill Summary		Recent Activity	
Author	Party D	Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. This bill would enact the Clean and Safe Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$6,500,000,000 pursuant to the State General Obligation Bond Law to finance a clean and safe drinking water program. This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.		From Assembly: Passed (60-0) to Senate on 05/29/2013. To Senate Committees on Natural Resources & Water and Environmental Quality on 06/13/2013. Author's amendments, re-referred to Natural Resources & Water on 08/26/2013. Author's amendments, re-referred to Natural Resources & Water on 09/11/2013. Author's amendments, re-referred to Natural Resources & Water on 01/07/2014.	
Location					
Next Hearing					
Positions					
WATER BOND		Water Infrastructure Act of 2014		Status: Pending	
AB 1445		Bill Summary		Recent Activity	
Author	Party R	Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. This bill would enact the California Water Infrastructure Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$5,800,000,000 pursuant to the State General Obligation Bond Law to finance public benefits associated with water storage and water quality improvement projects. This bill would provide for the submission of this bond act to the voters at the November 4, 2014, statewide general election.		Introduced on 01/06/2014. To Assembly Committee on Water, Parks & Wildlife on 02/14/2014. Author's amendments, re-referred to Water, Parks & Wildlife on 02/14/2014.	
Location					
Next Hearing					
Positions					
WATER BOND		Safe, Clean, Reliable Drinking Water Supply Act of 2012		Status: Pending	
AB 1674		Bill Summary		Recent Activity	
Author	Party R	States the intent of the Legislature to enact legislation that would amend the Safe, Clean, and Reliable Drinking Water Supply Act of 2012.		Introduced on 02/12/2014.	
Location					
Next Hearing					
Positions					
TRANSPORTATION		Vehicles: High-Occupancy Vehicle Lanes		Status: Pending	
AB 1721		Bill Summary		Recent Activity	
Author	Party R	Relates to existing law that requires that a vehicle, eligible to use HOV lanes, be exempt from toll charges imposed on single-occupant vehicles in designated high-occupancy toll (HOT) lanes unless prohibited by federal law. Excludes from the exemption a toll imposed for passage in HOT lanes designated for State Highway Route 15 in Riverside County.		Introduced on 02/13/2014. To Assembly Committee on Transportation on 02/27/2014.	
Location					
Next Hearing					
Positions					
RCTC: Sponsor					

# SCAG California Legislative Matrix

March 2014

<b>ENTERTAINMENT TAX CREDIT</b>	<b>Taxation: Credits: Qualified Motion Pictures</b>	<b>Status:</b> Pending
<b>AB 1839</b>	<b>Bill Summary</b> Extends the program for five additional years; Lifts the per-film budget cap so that big-budget films will be eligible to apply for the credit, but only qualified expenditures of up to \$100 million will be eligible for credit; Allows all, new, one-hour television series, regardless of where they air, to be eligible to apply for the program; Stimulates TV series production by allowing pilots shows to apply for the credit; Offers an additional 5% increase in the tax credit for filming that takes place outside of the Los Angeles Zone (an increase from 20% to 25%); Offers a 25% credit for television shows that relocate to California within the first year of production; Ensures that more jobs are created in California by modifying the requirement that 75% of the production days occur in California to 75% of the principal photography jobs occur in California; and Offers a 25% credit for television shows that relocate to California within the first year of production.	<b>Recent Activity</b> Introduced on 02/18/2014. To Assembly Committees on Arts, Entertainment, Sports, Tourism & Internet Media and Revenue & Taxation on 02/27/2014.
<b>Author</b> Gatto/Bocanegra	<b>Party</b> D	
<b>Location</b> Assembly: AESTIM, R&T		
<b>Next Hearing</b> AESTIM: 03/25/2014		
<b>Positions</b>		

<b>ENVIRONMENT</b>	<b>Global Warming Solutions Act: Community Investment</b>	<b>Status:</b> Pending
<b>AB 1970</b>	<b>Bill Summary</b> Creates the Community Investment and Innovation Program and requires moneys to be available from the Greenhouse Gas Reduction Fund for purposes of awarding local assistance grants and other financial assistance to eligible grant applicants who submit plans to develop and implement integrated community-level greenhouse gas emissions reductions in their region.	<b>Recent Activity</b> Introduced on 02/19/2014. To Assembly Committees on Natural Resources and Local Government on 03/03/2014.
<b>Author</b> Gordon	<b>Party</b> D	
<b>Location</b> Assembly: NR, LG		
<b>Next Hearing</b>		
<b>Positions</b>		

<b>TRANSPORTATION: RTP</b>	<b>Regional Transportation Plan</b>	<b>Status:</b> Pending
<b>AB 2008</b>	<b>Bill Summary</b> States the intent of the Legislature to enact legislation that would require a sustainable communities strategy to include consideration of greenhouse gas emissions resulting from the delivery of urban freight.	<b>Recent Activity</b> Introduced on 02/20/2014.
<b>Author</b> Quirk	<b>Party</b> D	
<b>Location</b> Assembly		
<b>Next Hearing</b>		
<b>Positions</b>		

<b>WATER BOND</b>	<b>Safe Clean and Reliable Drinking Water Supply Act</b>	<b>Status:</b> Pending
<b>AB 2043</b>	<b>Bill Summary</b> Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. This bill would enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$7,935,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.	<b>Recent Activity</b> Introduced on 02/20/2014.
<b>Author</b> Bigelow	<b>Party</b> R	
<b>Location</b> Assembly		
<b>Next Hearing</b>		
<b>Positions</b>		

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<b>WATER BOND</b>		<b>Clean, Safe, and Reliable Water Supply Act of 2014</b>	<b>Status:</b> Pending
<b>AB 2686</b>		<b>Bill Summary</b> Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. This bill would enact the Clean, Safe, and Reliable Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$9,250,000,000 pursuant to the State General Obligation Bond Law to finance a clean, safe, and reliable water supply program. This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.	<b>Recent Activity</b> Introduced on 02/21/2014.
<b>Author</b> Perea	<b>Party</b> D		
<b>Location</b> Assembly			
<b>Next Hearing</b>			
<b>Positions</b>			
<b>ENVIRONMENT</b>		<b>Hazardous Materials: Orange County Water District</b>	<b>Status:</b> Pending
<b>AB 2712</b>		<b>Bill Summary</b> This bill would impose requirements on the Orange County Water District when conducting a remediation project at a hazardous waste release site located in the district and would prohibit the district from implementing a remediation project unless the plan for the proposed remediation project is approved pursuant to the specified procedures. The bill would require the district to develop a plan for a proposed remediation project and to submit the plan, for review and approval, to the Department of Toxic Substances Control, a California regional water quality control board, or a certified unified program agency, as specified. If the regulatory agency does not approve the plan, the bill would allow the district to submit the plan to the site designation committee for review. The site designation committee would be required to disapprove the plan, approve the plan, or conditionally approve the plan.	<b>Recent Activity</b> Introduced on 02/21/2014.
<b>Author</b> Daly	<b>Party</b> D		
<b>Location</b> Assembly			
<b>Next Hearing</b>			
<b>Positions</b> OCBC: Support			
<b>ECONOMIC DEVELOPMENT</b>		<b>Sustainable Communities Investment Authority</b>	<b>Status:</b> Passed Both Houses
<b>SB 1</b>		<b>Bill Summary</b> Authorizes certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area. Excludes certain types of farmland.	<b>Recent Activity</b> From Appropriations: To Suspense File on 05/20/2013. From Appropriations: Do pass (5-2) on 05/23/2013. From Senate: Passed (27-11) to Assembly on 05/28/2013. To Assembly Committees on Housing & Community Development and Local Government on 06/14/2013. From Housing & Community Development: Do pass (5-2) to Local Government on 07/03/2013. Author's amendments, re-referred to Local Government on 08/05/2013. From Local Government: Do pass (6-0) to Appropriations on 08/14/2013. From Appropriations: To Suspense File on 08/21/2013. From Appropriations: Do pass (12-5) on 08/30/2013. From Assembly: Passed (48-28), to Senate for concurrence on 09/09/2013. From Senate: To Inactive File on 09/12/2013.
<b>Author</b> Steinberg	<b>Party</b> D		
<b>Location</b> Senate			
<b>Next Hearing</b> Inactive File			
<b>Positions</b> SCAG: Support			
<b>ENVIRONMENT</b>		<b>Alternative Fuel: Vehicle Technologies: Funding</b>	<b>Status:</b> Passed to ASSEMBLY
<b>SB 11</b>		<b>Bill Summary</b> Relates to compensation for the retirement of certain high polluting vehicles. Requires an update to guidelines for an enhanced fleet modernization program to include specified elements. Establishes compensation for replacement vehicles. Extends smog abatement fees in amounts required to make deposits into the Alternative and Renewable Fuel and Vehicle Technology Fund, the Air Quality Improvement Fund, and a specified Subaccount. Relates to grants for air emission pollutant reduction projects. Extends the Carl Moyer Program, and a vehicle registration charge to fund the Carl Moyer Program, to January 1, 2024.	<b>Recent Activity</b> From Appropriations: To Suspense File on 05/20/2013. From Appropriations: Do pass (6-1) on 05/23/2013. From Senate: Passed (32-5) to Assembly on 05/29/2013. To Assembly Committees on Transportation and Natural Resources on 06/14/2013. From Transportation: Do pass (10-3) to Natural Resources on 07/01/2013. Author's amendments, re-referred to Natural Resources on 08/06/2013. From Natural Resources: Do pass (6-2) to Appropriations on 08/12/2013. From Appropriations: To Suspense File on 08/21/2013. From Appropriations: Do pass (12-4) on 08/30/2013. Re-referred to Transportation on 09/09/2013. From Transportation: Not heard in Committee on 09/11/2013.
<b>Author</b> Pavley	<b>Party</b> D		
<b>Location</b> Assembly: T			
<b>Next Hearing</b>			
<b>Positions</b> Metro: Support Metrolink: Support in Concept			

Assembly Committees: Accountability & Administrative Review (AAR) | Appropriations (A) | Arts, Entertainment, Sports, Tourism | Internet Media | Budget (B) | Housing & Community Development (HCD) | Jobs, Economic Development & The Economy (JEDE) | Local Government (LG) | Natural Resources (NR) | Revenue & Taxation (R&T) | Rules | Transportation (T) | Utilities & Commerce (U&C) | Water, Parks & Wildlife (WPW) | Senate Committees: Appropriations (A) | Business, Professions & Economic Development (BPED) | Education (EDU) | Elections & Constitutional Amendments (ECA) | Energy, Utilities & Communications (EUC) | Environmental Quality (EQ) | Governance & Finance (G&F) | Governmental Organization (GO) | Judiciary (J) | Labor & Industrial Relations (LIR) | Natural Resources & Water (NRW) | Rules (R) | Transportation & Housing (T&H)

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<b>INFRASTRUCTURE FINANCING</b>  <b>SB 33</b>  <b>Author</b> Wolk  <b>Location</b> Assembly  <b>Next Hearing</b> Inactive File  <b>Positions</b> CA League: Support	<b>Infrastructure Financing Districts: Voter Approval</b>  <b>Bill Summary</b> Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance, and authorizes the legislative body to create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and project. Prohibits financing until a certain requirement is met. Prohibits assistance to a vehicle dealer or big box retailer.	<b>Status:</b> Passed to ASSEMBLY  <b>Recent Activity</b> From Appropriations: To Second Reading without further hearing on 04/08/2013. To Third Reading on 04/09/2013. From Senate: Passed (24-13) to Assembly on 04/11/2013. To Assembly Committee on Local Government on 05/16/2013. From Local Government: Do pass (5-2) to Appropriations on 06/12/2013. From Appropriations: Do pass (11-5) on 07/03/2013. Amended, to Third Reading on 08/26/2013. From Assembly: To Inactive File on 09/11/2013.
<b>CAP &amp; TRADE</b>  <b>SB 64</b>  <b>Author</b> Corbett  <b>Location</b> Assembly: NR  <b>Next Hearing</b>   <b>Positions</b> CA League: Support	<b>Global Warming Solutions: Clean Technology Investment</b>  <b>Bill Summary</b> Creates the Clean Technology Investment Account within the Greenhouse Gas Reduction Fund. Requires appropriations of moneys in the fund or other funds to the account in the Budget Act. Makes such funds available for grants to nonprofit public benefit corporations and regional technology alliances to design and implement program that accelerate the development, demonstration, and deployment of technologies that would reduce greenhouse gas emissions and foster job creation in the state.	<b>Status:</b> Passed to ASSEMBLY  <b>Recent Activity</b> From Appropriations: Not heard in committee on 05/06/2013. From Appropriations: To Suspense File on 05/13/2013. From Appropriations: Do pass (5-0) on 05/23/2013. From Senate: Passed (30-7) to Assembly on 05/29/2013. To Assembly Committees on Natural Resources and Utilities & Commerce on 06/14/2013. Author's amendments, re-referred to Natural Resources on 06/14/2013. Re-referred to Rules on 06/20/2013. Re-referred to Natural Resources on 06/24/2013. From Natural Resources: Hearing canceled at the request of the author on 08/12/2013.
<b>VEHICLE LICENSE FEE</b>  <b>SB 69</b>  <b>Author</b> Roth  <b>Location</b> Assembly: R  <b>Next Hearing</b>   <b>Positions</b> SCAG: Support	<b>Local Government Finance: Property Tax Revenue Allocation</b>  <b>Bill Summary</b> This bill would modify property tax reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill would also modify these reduction and transfer provisions, for the 2013-14 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount for certain cities incorporating after a specified date, as provided.	<b>Status:</b> Passed to ASSEMBLY  <b>Recent Activity</b> From Senate: Passed (30-6) to Assembly on 05/30/2013. To Assembly Committee on Rules on 09/11/2013. Author's amendments, re-referred to Rules on 09/12/2013.

Assembly Committees: Accountability & Administrative Review (AAR) | Appropriations (A) | Arts, Entertainment, Sports, Tourism | Internet Media | Budget (B) | Housing & Community Development (HCD) | Jobs, Economic Development & The Economy (JEDE) | Local Government (LG) | Natural Resources (NR) | Revenue & Taxation (R&T) | Rules | Transportation (T) | Utilities & Commerce (U&C) | Water, Parks & Wildlife (WPW) | Senate Committees: Appropriations (A) | Business, Professions & Economic Development (BPED) | Education (EDU) | Elections & Constitutional Amendments (ECA) | Energy, Utilities & Communications (EUC) | Environmental Quality (EQ) | Governance & Finance (G&F) | Governmental Organization (GO) | Judiciary (J) | Labor & Industrial Relations (LIR) | Natural Resources & Water (NRW) | Rules (R) | Transportation & Housing (T&H)

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## ECONOMIC DEVELOPMENT

SB 133

**Author**  
DeSaulnier  
**Location**  
Senate  
**Next Hearing**  
Inactive File  
**Positions**

**Party**  
D

## Redevelopment

### Bill Summary

Amends the Community Redevelopment Law. Requires a redevelopment agency to include additional information relating to any major audit violations, any corrections of those violations, and planning and general administrative expenses of the Low and Moderate Income Housing Fund. Authorizes quality control reviews by the Controller and the publishing of those reviews. Requires audits of such agencies to ensure compliance with the law. Relates to funding for housing construction and/or rehabilitation.

**Status:** Passed Both Houses

### Recent Activity

From Transportation & Housing: Do pass (11-0) to Consent Calendar on 04/02/2013. From Senate: Passed (38-0) to Assembly on 04/08/2013. To Assembly Committee on Jobs, Economic Development & The Economy on 05/09/2013. Author's amendments, re-referred to Jobs, Economic Development & The Economy on 06/10/2013. Re-referred to Rules on 06/14/2013. Re-referred to Housing & Community Development and Local Government on 06/17/2013. From Housing & Community Development: Do pass (5-2) to Local Government on 07/03/2013. Author's amendments, re-referred to Local Government on 08/06/2013. From Local Government: Do pass (9-0) to Appropriations on 08/14/2013. From Appropriations: To Suspense File on 08/21/2013. From Appropriations: Do pass (17-0) on 08/30/2013. From Assembly: Passed (77-0), to Senate for concurrence on 09/04/2013. From Senate: To Inactive File on 09/10/2013.

## ENVIRONMENT

SB 389

**Author**  
Wright  
**Location**  
Senate  
**Next Hearing**  
  
**Positions**

**Party**  
D

## Electric Generating Facilities: Emissions Offsets

### Bill Summary

Prohibits South Coast Air Quality Management District from charging a fee for the transfer of an emissions offset from the district's internal emissions offset account to offset any emissions increase from the replacement of electric utility steam boilers at electric generating facilities.

**Status:** Pending

### Recent Activity

Introduced on 02/20/2013. To Senate Committee on Environmental Quality on 02/28/2013. From Environmental Quality: Failed passage (4-4), reconsideration granted on 04/17/2013. From Environmental Quality: Failed passage (4-5) on 05/01/2013. Returned to Secretary of the Senate on 05/09/2013.

## AFFORDABLE HOUSING

SB 391

**Author**  
DeSaulnier  
**Location**  
Assembly  
**Next Hearing**  
Suspense File  
**Positions**  
CA League: Support

**Party**  
D

## State Homes and Jobs Act of 2013

### Bill Summary

Enacts the California Homes and Jobs Act of 2013. Imposes a fee to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded. Requires that revenues sent quarterly to the Department of Housing and Community Development for deposit in a related fund. Provides that fund moneys expended for supporting affordable housing, administering housing programs and the cost of periodic audits. Requires prevailing wage monitoring and enforcement.

**Status:** Passed to ASSEMBLY

### Recent Activity

From Appropriations: Not heard on 05/06/2013. Author's amendments, re-referred to Appropriations on 05/07/2013. From Appropriations: To Suspense File on 05/13/2013. Author's amendments, re-referred to Appropriations on 05/20/2013. From Appropriations: Do pass (5-2) on 05/23/2013. From Senate: Passed (27-12) to Assembly on 05/29/2013. To Assembly Committees on Housing & Community Development and Labor & Employment on 06/14/2013. Author's amendments, re-referred to Housing & Community Development on 08/08/2013. From Housing & Community Development: Do pass (4-2) to Labor & Employment on 08/12/2013. From Labor & Employment: Do pass (5-0) to Appropriations on 08/14/2013. From Appropriations: To Suspense File on 08/30/2013.

Assembly Committees: Accountability & Administrative Review (AAR) | Appropriations (A) | Arts, Entertainment, Sports, Tourism | Internet Media | Budget (B) | Housing & Community Development (HCD) | Jobs, Economic Development & The Economy (JEDE) | Local Government (LG) | Natural Resources (NR) | Revenue & Taxation (R&T) | Rules | Transportation (T) | Utilities & Commerce (U&C) | Water, Parks & Wildlife (WPW) | Senate Committees: Appropriations (A) | Business, Professions & Economic Development (BPED) | Education (EDU) | Elections & Constitutional Amendments (ECA) | Energy, Utilities & Communications (EUC) | Environmental Quality (EQ) | Governance & Finance (G&F) | Governmental Organization (GO) | Judiciary (J) | Labor & Industrial Relations (LIR) | Natural Resources & Water (NRW) | Rules (R) | Transportation & Housing (T&H)

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<p><b>ECONOMIC DEVELOPMENT</b></p> <p><b>SB 511</b></p> <p><b>Author</b> Lieu</p> <p><b>Location</b> Assembly</p> <p><b>Next Hearing</b></p> <p><b>Positions</b> SCAG: Sponsored</p>	<p><b>Trade Promotion of State Ports</b></p> <p><b>Bill Summary</b> This bill requires GO-Biz to convene a statewide business partnership that advises GO-Biz on port trade promotion, on or before February 1, 2015; and requires the partnership to include, but not be limited to, representatives from (1) ports of entry; (2) ocean carriers; (3) marine terminal operators; (4) warehouse operators; (5) railroads; (6) trucking companies; (7) labor representatives; (8) foreign trade zones; (9) environmental group representatives; and (10) shippers, including agricultural exporters, manufacturers, postconsumer secondary material handlers, and retailers.</p>	<p><b>Status:</b> Passed to ASSEMBLY</p> <p><b>Recent Activity</b> From Senate Committee on Business, Professions &amp; Economic Development: Do pass (9-0) to Appropriations on 01/13/2014. From Appropriations: To second reading without further hearing on 01/21/2014. From Senate: Passed (31-0) to Assembly on 01/23/2014. Awaiting committee assignment.</p>
<p><b>ECONOMIC DEVELOPMENT</b></p> <p><b>SB 592</b></p> <p><b>Author</b> Price</p> <p><b>Location</b> Assembly: A</p> <p><b>Next Hearing</b> Held in Committee</p> <p><b>Positions</b></p>	<p><b>Trade Promotion of California Ports</b></p> <p><b>Bill Summary</b> Requires the Director of the Governor's Office of Business and Economic Development to provide to the Legislature a strategy for promoting trade for State airports, land ports, and seaports that, at a minimum includes specified information, objectives, goals and recommendations. Requires that the strategy be submitted to various legislative entities. Requires convening a statewide business partnership for promotion of trade for State ports and to explore greater utilization of State ports.</p>	<p><b>Status:</b> Passed to ASSEMBLY</p> <p><b>Recent Activity</b> From Appropriations: To Suspense File on 04/15/2013. From Appropriations: Do pass (7-0) on 05/23/2013. From Senate: Passed (38-0) to Assembly on 05/28/2013. To Assembly Committee on Jobs, Economic Development &amp; The Economy on 06/17/2013. Author's amendments, re-referred to Jobs, Economic Development &amp; The Economy on 06/25/2013. From Jobs, Economic Development &amp; The Economy: Do pass (8-0) to Appropriations on 08/12/2013. Amended, re-referred to Appropriations on 08/13/2013. From Appropriations: To Suspense File on 08/21/2013. From Appropriations: Held in Committee on 08/30/2013.</p>
<p><b>CAP &amp; TRADE</b></p> <p><b>SB 605</b></p> <p><b>Author</b> Lara</p> <p><b>Location</b> Assembly: A</p> <p><b>Next Hearing</b> Held in Committee</p> <p><b>Positions</b> CA League: Watch</p>	<p><b>California Global Warming Solutions Act: Scoping Plan</b></p> <p><b>Bill Summary</b> Requires the Controller to determine the amount of moneys collected and deposited in the Greenhouse Reduction Fund by the State Air Resources Board. Appropriates moneys from the fund for projects and programs in disadvantaged communities. Authorizes expenditures for administrative purposes. Requires the Board, when updating a greenhouse gas emissions reduction scoping plan, to include specified criteria, and to submit that criteria to the Joint Legislative Budget Committee.</p>	<p><b>Status:</b> Passed to ASSEMBLY</p> <p><b>Recent Activity</b> From Senate: Passed (27-11) to Assembly on 05/29/2013. To Assembly Committee on Natural Resources on 06/14/2013. Author's amendments, re-referred to Natural Resources on 06/18/2013. Author's amendments, re-referred to Natural Resources on 07/03/2013. From Natural Resources: Do pass (6-3) to Appropriations on 08/12/2013. From Appropriations: To Suspense File on 08/21/2013. From Appropriations: Held in Committee on 08/30/2013.</p>
<p><b>INFRASTRUCTURE FINANCING</b></p> <p><b>SB 628</b></p> <p><b>Author</b> Beall</p> <p><b>Location</b> Senate</p> <p><b>Next Hearing</b></p> <p><b>Positions</b></p>	<p><b>Infrastructure Financing: Transit Priority Projects</b></p> <p><b>Bill Summary</b> Eliminates the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit priority project. Requires a specified percentage of the revenue for increasing, improving, and preserving the supply of lower and moderate-income housing. Requires a low-income housing replacement ordinance.</p>	<p><b>Status:</b> Withdrawn From Enrollment</p> <p><b>Recent Activity</b> From Transportation &amp; Housing: Do pass (7-3) on 05/07/2013. Amended on 05/14/2013. From Senate: Passed (24-11) to Assembly on 05/20/2013. To Assembly Committees on Local Government and Housing &amp; Community Development on 06/03/2013. Author's amendments, re-referred to Local Government on 06/17/2013. From Local Government: Do pass (EDT) to Housing &amp; Community Development on 06/26/2013. From Housing &amp; Community Development: Do pass (4-2) on 07/03/2013. From Assembly: Passed (46-29), to Senate for concurrence on 08/08/2013. Senate concurred in Assembly amendments, to Enrollment on 08/15/2013. Withdrawn from Enrollment, held at Senate desk on 08/19/2013.</p>

Assembly Committees: Accountability & Administrative Review (AAR) | Appropriations (A) | Arts, Entertainment, Sports, Tourism | Internet Media | Budget (B) | Housing & Community Development (HCD) | Jobs, Economic Development & The Economy (JEDE) | Local Government (LG) | Natural Resources (NR) | Revenue & Taxation (R&T) | Rules | Transportation (T) | Utilities & Commerce (U&C) | Water, Parks & Wildlife (WPW) | Senate Committees: Appropriations (A) | Business, Professions & Economic Development (BPED) | Education (EDU) | Elections & Constitutional Amendments (ECA) | Energy, Utilities & Communications (EUC) | Environmental Quality (EQ) | Governance & Finance (G&F) | Governmental Organization (GO) | Judiciary (J) | Labor & Industrial Relations (LIR) | Natural Resources & Water (NRW) | Rules (R) | Transportation & Housing (T&H)

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<b>ENVIRONMENT</b>		<b>CEQA</b>	<b>Status:</b> Passed to ASSEMBLY
<b>SB 633</b>		<b>Bill Summary</b> Amends the California Environmental Quality Act. Specifies, for purposes of new information exception to the prohibition on requiring a subsequent or supplement environmental impact report, that a specified exception applies if new information was not known and could not have been known by the lead or any responsible agency at the time the report was certified as complete. Authorizes the development of guidelines to exempt projects involving minor temporary uses of land and public gatherings.	<b>Recent Activity</b> From Appropriations: To Suspense File on 05/20/2013. From Appropriations: Do pass (7-0) on 05/23/2013. From Senate: Passed (39-0) to Assembly on 05/30/2013. To Assembly Committee on Natural Resources on 06/17/2013. From Natural Resources: Do pass (9-0) to Appropriations on 07/01/2013. Amended, re-referred to Appropriations on 08/06/2013.
<b>Author</b> Pavley	<b>Party</b> D		
<b>Location</b> Assembly: A			
<b>Next Hearing</b>			
<b>Positions</b>			
<b>ENVIRONMENT</b>		<b>Environment: California Environmental Quality Act</b>	<b>Status:</b> Passed to ASSEMBLY
<b>SB 731</b>		<b>Bill Summary</b> Relates to the State Environmental Quality Act. Provides that certain impacts of a residential, mixed-use, or employment center project within a transit priority area shall not be considered significant impacts. Requires guidelines for thresholds of significance for noise and transportation impacts to be made available. Requires preparation of environmental impact reports. Extends the tolling of time for judicial actions and mitigation measures. Relates to sustainable communities planning and grants.	<b>Recent Activity</b> From Appropriations: To Suspense File on 05/20/2013. From Appropriations: Do pass (7-0) on 05/23/2013. From Senate: Passed (39-0) to Assembly on 05/29/2013. To Assembly Committees on Natural Resources and Local Government on 06/17/2013. From Natural Resources: Do pass (6-1) to Local Government on 07/01/2013. Amended, re-referred to Local Government on 08/06/2013. From Local Government: Do pass (7-0) to Appropriations on 08/14/2013. From Appropriations: To Suspense File on 08/21/2013. From Appropriations: Do pass (11-0) on 08/30/2013. Amended on 09/06/2013. Re-referred to Natural Resources and Local Government on 09/09/2013. Author's amendments, re-referred to Natural Resources on 09/09/2013. From Natural Resources: Do pass (5-1) to Local Government on 09/10/2013. From Local Government: Do pass (9-0) on 09/11/2013.
<b>Author</b> Steinberg	<b>Party</b> D		
<b>Location</b> Assembly			
<b>Next Hearing</b>			
<b>Positions</b> SCAG: Work With Author CA League: Watch CSAC: Support in Concept RCTC: Work With Author SANBAG: Work With Author			
<b>WATER BOND</b>		<b>Safe Drinking Water, Water Quality, and Water Supply</b>	<b>Status:</b> Pending
<b>SB 848</b>		<b>Bill Summary</b> Repeals the provisions of existing law that created the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014 which would authorize the issuance of bonds pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality, and water supply program.	<b>Recent Activity</b> Introduced 01/09/2014. To Senate Committees on Natural Resources & Water, Environmental Quality, and Governance & Finance on 01/23/2014. From Natural Resources & Water: Do pass (6-0) to Environmental Quality on 02/11/2014. From Environmental Quality: Do pass (6-2) to Governance & Finance on 02/19/2014. From Governance & Finance: Do pass (5-2) to Appropriations on 02/26/2014.
<b>Author</b> Wolk	<b>Party</b> D		
<b>Location</b> Senate: A			
<b>Next Hearing</b>			
<b>Positions</b>			

# SCAG California Legislative Matrix

March 2014

## WATER BOND

## Safe, Clean, and Reliable Drinking Water Supply Act

Status: Pending

### SB 927

**Author**  
Cannella

**Party**  
R

**Location**  
Senate: NRW, EQ, G&F

**Next Hearing**

**Positions**

### Bill Summary

Existing law creates the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. The bond act, among other things, makes specified amounts available for projects relating to drought relief, water supply reliability, ecosystem and watershed protection and restoration, and emergency and urgent actions that ensure safe drinking water supplies are available in disadvantaged communities and economically distressed areas. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election. This bill would rename the bond act as the Safe, Clean, and Reliable Drinking Water Supply Act of 2014 and make conforming changes. The bill would instead authorize the issuance of bonds in the amount of \$9,217,000,000 by reducing the amount available for projects related to drought relief and water supply reliability, as specified. The bill would remove the authorization for funds to be available for ecosystem and watershed protection and restoration projects, and would increase the amount of funds available for emergency and urgent actions to ensure safe drinking water supplies in disadvantaged communities and economically distressed areas.

### Recent Activity

Introduced on 01/29/2014. To Senate Committees on Natural Resources & Water, Environmental Quality, and Governance & Finance on 02/06/2014.

## TRANSPORTATION: PARKING

### SB 953

**Author**  
Roth

**Party**  
D

**Location**  
Senate: T&H

**Next Hearing**

**Positions**

RCTC: Sponsor

## Vehicles: Parking: Public Grounds

### Bill Summary

Amends existing law that authorizes a public transportation agency that imposes any condition or regulation upon a person who parks or leaves standing any vehicle, to enforce that condition or regulation in the same manner generally provided for the enforcement of parking regulations or designate specific employees for the purpose of removing the vehicle. Includes the Riverside County Transportation Commission within the definition of public transportation agency.

Status: Pending

### Recent Activity

Introduced on 02/06/2014. To Senate Committee on Transportation & Housing on 02/20/2014.

## TRANSPORTATION

## Transportation Funds: Disadvantaged Small Communities

Status: Pending

### SB 990

**Author**  
Vidak

**Party**  
R

**Location**  
Senate: T&H

**Next Hearing**

**Positions**

SANBAG: Oppose

### Bill Summary

Requires each regional transportation improvement program to program 5% of funds available for regional improvement projects to disadvantaged small communities. Requires regional transportation agencies and county transportation commissions to prioritize funding congestion relief and safety needs in programming these moneys.

### Recent Activity

Introduced on 02/12/2014. To Senate Committee on Transportation & Housing on 02/20/2014.

## TRANSPORTATION: VMT

### SB 1077

**Author**  
DeSaulnier

**Party**  
D

**Location**  
Senate: T&H

**Next Hearing**

**Positions**

## Vehicles: Vehicle-Miles-Traveled Charges

### Bill Summary

This bill would require the Department of Motor Vehicles to develop and implement, by July 1, 2015, a pilot program designed to assess specified issues related to implementing a vehicle-miles-traveled fee in California. The bill would also require the department to prepare and submit a specified report of its findings to the policy and fiscal committees of the Legislature no later than June 30, 2016. The bill would provide that these provisions would be repealed on January 1, 2018.

Status: Pending

### Recent Activity

Introduced on 02/19/2014. To Senate Committee on Transportation & Housing on 02/27/2014.

# SCAG California Legislative Matrix

March 2014

## WATER BOND

## Safe, Clean, and Reliable Drinking Water Supply Act

Status: Pending

SB 1080

Author

Fuller

Party

R

Location

Senate: R

Next Hearing

Positions

### Bill Summary

Relates to the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in a specified amount. Declares the intent of the Legislature to enact legislation to reduce the bond amount.

### Recent Activity

Introduced on 02/19/2014. To Senate Committee on Rules on 02/27/2014.

## CAP & TRADE FUNDS

## Sustainable Communities: Strategic Growth Council

Status: Pending

SB 1122

Author

Pavley

Party

D

Location

Senate: EQ, R

Next Hearing

Positions

### Bill Summary

Existing law establishes the Strategic Growth Council and requires the council to, among other things, manage and award grants and loans to support the development, adoption, or implementation of a regional plan or other planning instrument consistent with a regional plan that achieve specified objectives, including meeting the goals of the California Global Warming Solutions Act of 2006. This bill would additionally require the Council to provide financial assistance for those purposes, to be funded from moneys from the Greenhouse Gas Reduction Fund, upon appropriation by the Legislature, and would additionally require the regional plan or other planning instrument to meet the requirements of an applicable sustainable communities strategy. The bill would require the council to develop and implement regional grant programs to support the implementation of sustainable communities strategies, alternative transportation plans, or other regional greenhouse gas emission reduction plans within a developed area. The bill also would authorize the council to award financial assistance for the development and implementation of agricultural, natural resource, and open space land protection plans that are consistent with the implementation of sustainable communities strategies, alternative transportation plans, or other regional greenhouse gas emission reduction plans.

### Recent Activity

Introduced on 02/19/2014. To Senate Committees on Environmental Quality and Rules on 02/27/2014.

## ENVIRONMENT

## Greenhouse Gases: Emissions Reduction

Status: Pending

SB 1125

Author

Pavley

Party

D

Location

Senate: R

Next Hearing

Positions

### Bill Summary

Requires the State Air Resources Board to develop and submit to the Governor and the Legislature a report containing recommendations on a timetable of reduction targets of greenhouse gas emissions and short-lived climate pollutants with high global warming potentials beyond 2020.

### Recent Activity

Introduced on 02/19/2014. To Senate Committee on Rules on 02/27/2014.

## ENVIRONMENT

## Carbon Tax Law of 2014

Status: Pending

SB 1156

Author

Steinberg

Party

D

Location

Senate

Next Hearing

Positions

### Bill Summary

This bill, effective January 1, 2015, would impose a carbon tax of an unspecified amount per ton of carbon-dioxide-equivalent emissions on suppliers of fossil fuels. The bill would require the State Board of Equalization to administer and implement the carbon tax, and would require revenues from the tax to be deposited in the Carbon Tax Revenue Special Fund in the State Treasury. The bill would exempt suppliers of fossil fuels subject to the tax from regulations imposed by the State Air Resources Board under the California Global Warming Solutions Act of 2006 relative to the compliance obligation in the second compliance period under which suppliers of specified fuels are required to obtain allowances for carbon-dioxide-equivalent emissions under the cap-and-trade program adopted by the State Air Resources Board. The bill would state the intent of the Legislature that revenues from the carbon tax be rebated to taxpayers, particularly low- and medium-income taxpayers, of other taxes, and for implementation of the carbon tax to be revenue neutral.

### Recent Activity

Introduced on 02/20/2014.

Assembly Committees: Accountability & Administrative Review (AAR) | Appropriations (A) | Arts, Entertainment, Sports, Tourism | Internet Media | Budget (B) | Housing & Community Development (HCD) | Jobs, Economic Development & The Economy (JEDE) | Local Government (LG) | Natural Resources (NR) | Revenue & Taxation (R&T) | Rules | Transportation (T) | Utilities & Commerce (U&C) | Water, Parks & Wildlife (WPW) | Senate Committees: Appropriations (A) | Business, Professions & Economic Development (BPED) | Education (EDU) | Elections & Constitutional Amendments (ECA) | Energy, Utilities & Communications (EUC) | Environmental Quality (EQ) | Governance & Finance (G&F) | Governmental Organization (GO) | Judiciary (J) | Labor & Industrial Relations (LIR) | Natural Resources & Water (NRW) | Rules (R) | Transportation & Housing (T&H)

# SCAG California Legislative Matrix

March 2014

## WATER BOND

## Safe, Clean and Reliable Drinking Water Supply Act

Status: Pending

SB 1250

### Bill Summary

Amends the Safe, Clean and Reliable Drinking Water Supply Act of 2012 that would authorize the issuance of bonds to finance a safe drinking water and water supply reliability program. States the intent of the Legislature to enact legislation that would amend the act for the purpose of reducing the bond.

### Recent Activity

Introduced on 02/20/2014.

#### Author

Hueso

#### Party

D

#### Location

Senate

#### Next Hearing

#### Positions

## TRANSPORTATION: HOT LANES

SB 1298

## High Occupancy Toll Lanes

### Bill Summary

This bill would remove the limitations on the number of HOT lanes that the California Transportation Commission (CTC) may approve and would delete the January 1, 2012, deadline for HOT lane applications. The bill would also delete the requirement for public hearings on each application. This bill would enact new provisions revising and recasting existing provisions that currently authorizes HOT lanes value pricing- and transit demonstration programs on State Routes 10 and 110 in Los Angeles County. The bill would specify additional requirements for agreements between Metro, the Department of Transportation, and the Department of the California Highway Patrol that identify the respective obligations and liabilities of each party relating to the program. The bill would require Metro, with the assistance of the department, to establish appropriate traffic flow guidelines for the purpose of ensuring the optimal use of the HOT lanes by high-occupancy vehicles. The bill would delete the requirement that Metro may not change the vehicle occupancy requirement for access to the high-occupancy vehicle lanes in the identified corridors and would authorize Metro to define the hours of operation of the HOT lanes.

Status: Pending

### Recent Activity

Introduced on 02/21/2014. To Senate Committee on Transportation & Housing on 03/06/2014.

#### Author

Hernandez, E.

#### Party

D

#### Location

Senate: T&H

#### Next Hearing

#### Positions

## WATER BOND

## Reliable Water Supply Bond Act of 2014

Status: Pending

SB 1370

### Bill Summary

Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. This bill would enact the Reliable Water Supply Bond Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of \$5,100,000,000 pursuant to the State General Obligation Bond Law to finance surface water storage projects. The bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

### Recent Activity

Introduced on 02/21/2014.

#### Author

Galgiani

#### Party

D

#### Location

Senate

#### Next Hearing

#### Positions

## TRANSPORTATION

## Local Agency Public Construction Act

Status: Pending

SB 1433

### Bill Summary

Relates to the local agency public construction act. Amends existing law authorizing a transit operator to enter into a design build contract. Relates to transit district municipal operator, included municipal operator, or transit development board, a consolidated agency, or any joint powers authority. Includes a local or regional agency responsible for the construction of transit projects. Eliminates the requirement that the project cost exceed a specified amount. Deletes the repeal date.

### Recent Activity

Introduced on 02/21/2014.

#### Author

Hill

#### Party

D

#### Location

Senate

#### Next Hearing

#### Positions

SANBAG: Support

Assembly Committees: Accountability & Administrative Review (AAR) | Appropriations (A) | Arts, Entertainment, Sports, Tourism | Internet Media | Budget (B) | Housing & Community Development (HCD) | Jobs, Economic Development & The Economy (JEDE) | Local Government (LG) | Natural Resources (NR) | Revenue & Taxation (R&T) | Rules | Transportation (T) | Utilities & Commerce (U&C) | Water, Parks & Wildlife (WPW) | Senate Committees: Appropriations (A) | Business, Professions & Economic Development (BPED) | Education (EDU) | Elections & Constitutional Amendments (ECA) | Energy, Utilities & Communications (EUC) | Environmental Quality (EQ) | Governance & Finance (G&F) | Governmental Organization (GO) | Judiciary (J) | Labor & Industrial Relations (LIR) | Natural Resources & Water (NRW) | Rules (R) | Transportation & Housing (T&H)

# SCAG California Legislative Matrix

March 2014

<b>VOTER THRESHOLD</b>		<b>Local Government Transportation Project: Voter Approval</b>	<b>Status: Pending</b>
<b>SCA 4</b>		<p><b>Author</b> Liu</p> <p><b>Location</b> Senate: R</p> <p><b>Next Hearing</b></p> <p><b>Positions</b> Metro: Support VCTC: Support OCTA: Oppose</p>	<p><b>Recent Activity</b> Introduced on 12/03/2012. To Senate Committees on Governance &amp; Finance and Rules on 02/14/2013. Author's amendments, re-referred to Governance &amp; Finance on 03/19/2013. From Governance &amp; Finance: Be adopted (5-1), to Rules on 05/15/2013. Amended, re-referred to Rules on 05/21/2013. Re-referred to Transportation &amp; Housing on 05/29/2013. From Transportation &amp; Housing: Not heard in committee on 07/09/2013. From Transportation &amp; Housing: Be adopted (7-2), to Rules on 08/27/2013.</p>
<b>FINANCE</b>		<b>Initiative Measures: Funding Source</b>	<b>Status: Pending</b>
<b>SCA 6</b>		<p><b>Author</b> DeSaulnier</p> <p><b>Location</b> Senate</p> <p><b>Next Hearing</b> Third Reading File</p> <p><b>Positions</b></p>	<p><b>Recent Activity</b> Introduced on 12/03/2012. To Senate Committee on Elections &amp; Constitutional Amendments on 02/07/2013. From Elections &amp; Constitutional Amendments: Be adopted (3-1) to Appropriations on 03/19/2013. From Appropriations: To Suspense File on 04/08/2013. From Appropriations: Be adopted (5-2) on 05/23/2013.</p>
<b>VOTER THRESHOLD</b>		<b>Transportation Projects: Special Taxes: Voter Approval</b>	<b>Status: Pending</b>
<b>SCA 8</b>		<p><b>Author</b> Corbett</p> <p><b>Location</b> Senate: R</p> <p><b>Next Hearing</b></p> <p><b>Positions</b> Metro: Support OCTA: Oppose</p>	<p><b>Recent Activity</b> Introduced on 12/14/2012. To Senate Committees on Governance &amp; Finance and Rules on 02/14/2013. From Governance &amp; Finance: Be adopted (5-2), to Rules on 05/15/2013. Amended, re-referred to Rules on 05/21/2013. Re-referred to Transportation &amp; Housing on 05/29/2013. From Transportation &amp; Housing: Not heard in committee on 07/09/2013. From Transportation &amp; Housing: Be adopted (7-2), to Rules on 08/27/2013.</p>
<b>VOTER THRESHOLD</b>		<b>Local Government: Economic Development: Special Taxes</b>	<b>Status: Pending</b>
<b>SCA 9</b>		<p><b>Author</b> Corbett</p> <p><b>Location</b> Senate: A</p> <p><b>Next Hearing</b></p> <p><b>Positions</b></p>	<p><b>Recent Activity</b> Introduced on 12/18/2012. To Senate Committees on Governance &amp; Finance and Elections &amp; Constitutional Amendments on 02/07/2013. From Governance &amp; Finance: Be adopted (5-1), to Elections &amp; Constitutional Amendments on 05/15/2013. Amended, re-referred to Elections &amp; Constitutional Amendments on 05/21/2013. From Elections &amp; Constitutional Amendments: Be adopted (3-0) to Rules on 06/18/2013. Re-referred to Appropriations on 06/27/2013.</p>

Assembly Committees: Accountability & Administrative Review (AAR) | Appropriations (A) | Arts, Entertainment, Sports, Tourism | Internet Media | Budget (B) | Housing & Community Development (HCD) | Jobs, Economic Development & The Economy (JEDE) | Local Government (LG) | Natural Resources (NR) | Revenue & Taxation (R&T) | Rules | Transportation (T) | Utilities & Commerce (U&C) | Water, Parks & Wildlife (WPW) | Senate Committees: Appropriations (A) | Business, Professions & Economic Development (BPED) | Education (EDU) | Elections & Constitutional Amendments (ECA) | Energy, Utilities & Communications (EUC) | Environmental Quality (EQ) | Governance & Finance (G&F) | Governmental Organization (GO) | Judiciary (J) | Labor & Industrial Relations (LIR) | Natural Resources & Water (NRW) | Rules (R) | Transportation & Housing (T&H)

# SCAG California Legislative Matrix

March 2014

## LEGISLATIVE PROCEDURE

### SCA 10

#### Author

Huff

#### Location

Senate: R

#### Next Hearing

#### Positions

CA League: Support

#### Party

R

## Legislative Procedure

### Bill Summary

Authorizes a committee to hear or act on a bill if the bill, in the form to be considered by the committee, has been in print and published on the Internet for at least 15 days. Prohibits either house of the Legislature from passing a bill until the bill, in the form to be voted on, has been made available to the public, in print and published on the Internet, for at least 72 hours preceding the vote.

**Status:** Pending

### Recent Activity

Introduced on 01/22/2013. To Senate Committee on Rules on 01/31/2013.

## VOTER THRESHOLD

### SCA 11

#### Author

Hancock

#### Location

Senate: A

#### Next Hearing

#### Positions

OCTA: Oppose

#### Party

D

## Local Government: Special Taxes: Voter Approval

### Bill Summary

Proposes an amendment to the Constitution to condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition, if the proposition proposing the tax contains specified requirements.

**Status:** Pending

### Recent Activity

Introduced on 01/25/2013. To Senate Committees on Governance & Finance and Elections & Constitutional Amendments on 02/07/2013. From Governance & Finance: Be adopted (5-1), to Elections & Constitutional Amendments on 05/15/2013. Amended, re-referred to Elections & Constitutional Amendments on 05/21/2013. From Elections & Constitutional Amendments: Be adopted (3-0) to Rules on 06/18/2013. Re-referred to Appropriations on 06/27/2013.